

Slovak Nationalists Applaud Deadlock With the Czechs

Compiled by Our Staff From Dispatches
PRAGUE—Slovak nationalists rejoiced at the failure early Friday of a second round of talks between Czech and Slovak leaders, saying the deadlock was bringing them closer to a breakup.

With the future of Czechoslovakia in doubt, the prime minister-designate, Vaclav Klaus, voiced concern that time was running out. "We didn't make any progress, and the other side refuses to accept anything we are proposing," he said. "We feel there is a great danger of losing time, of the whole business lingering too long."

Political parties remained far apart in their visions of a revised relationship between Slovakia and the Czech lands of Bohemia and Moravia, which were joined when Czechoslovakia emerged as a nation after World War I.

While Mr. Klaus's Movement for a Democratic Slovakia insisted it did not seek a breakup of the federation, Mr. Klaus said the Slovak movement's conception of a new arrangement was like "oozing in the history of mankind."

He said he was particularly surprised to learn during the talks that Slovakia intended to seek a separate seat in the United Nations and other world organizations.

The head of the Slovak National Party, which demands full and immediate independence, said his party would benefit from an impasse in the talks between Mr. Klaus's Civic Democratic Party and Mr. Meciar's Movement for a Democratic Slovakia.

Jozef Prokes, the Slovak National Party leader, said at a news conference in Bratislava, the Slovak capital, that the more the talks between the other two parties fail, "the happier we are."

Mr. Meciar has resisted pressure from Mr. Klaus to reach a so-called "rush agreement on the federation."

"Rushing things is useless in my opinion," Mr. Meciar said Friday, according to the CSTK news agency.

The Slovak leader also repeated his support for calling a referendum on federation after Slovakia declares sovereignty and adopts its own constitution, as is expected later this summer.

Despite the failure of two rounds of discussions since the general election last weekend, Mr. Klaus and Mr. Meciar agreed to meet again in Bratislava on Sunday.

President Vaclav Havel showed that he, too, felt the urgency of the crisis. He summoned the Federal Assembly to meet June 22, three days earlier than scheduled and one day ahead of the Slovak regional assembly.

Mr. Meciar, just two votes short of an outright majority in the Slovak National Council, should have enough backing there to push

through his promised declaration of sovereignty, Czechs say this would destroy the federation.

The Movement for a Democratic Slovakia plans to declare sovereignty quickly and then have a referendum to decide Slovakia's future relationship to the Czechs.

Mr. Klaus said the two sides failed to agree even on when a federal government most be formed. His Civic Democratic Party says a new government must be in place by the time Mr. Havel runs for re-election in early July.

(Reuters, WP)

Kremlin 'Secrets': Who's on Vacation?

By Margaret Shapiro
Washington Post Service

MOSCOW—The Russian government has put on display a smattering of classified documents from Communist Party secret archives that reveal a leadership so obsessed with control that everything from news reports of crime to summer vacations by General Secretary Mikhail S. Gorbachev had to be approved by the Politburo or Central Committee.

The "secret" and "top-secret" documents, including some dated as recently as last summer, offer an insight on the now-disbanded party's complicated financial empire, which has become the subject of legal wrangling and allegations of hidden assets.

In a report dated April 20, 1990, and labeled "top secret," the head of the party Central Committee's management division, Nikolai Kruchina, put forward a proposal by the Hungarian Socialist Party to allow the

"Soviet side" to acquire a 15 percent interest, through a package of bonds, in the bank of "Corporate Innovation & Construction" in Budapest.

"The dividends are guaranteed," Mr. Kruchina wrote. The document carried the word "agreed," with several signatures under it. Mr. Kruchina committed suicide after last August's coup attempt.

The documents show how irked the Soviet leadership was by the growing influence of Boris N. Yeltsin, now president of Russia but then a popular critic.

A Central Committee document dated Feb. 20, 1990, a few months before Mr. Yeltsin was elected head of the Russian parliament, reported that Mr. Yeltsin had been invited to visit the United States, Germany and France to promote his autobiography. The book is expected to be "of a vilifying character," the document noted, but recom-

ended that Mr. Yeltsin be allowed to travel anyway.

For many perusing the material, the most arresting aspect was the minutiae in which the top leaders involved themselves.

At a meeting of the Politburo on July 31, 1989, for instance, the group considered the top-secret document entitled "On the vacation of General Secretary of the Central Committee of the Communist Party of the Soviet Union Gorbachev from Aug. 7, 1989."

A meeting on Oct. 22, 1990, took up the question of allowing a Central Committee member, Alexander Dzasokhov, to go on a two-week vacation to Greece with his wife and to exchange 1,000 rubles into French francs.

The documents were on display in glass cases and not available for individual examination, making it difficult to find out complete details.

WORLD BRIEFS

Russian Church Demotes Ukrainian

MOSCOW (AP)—The Russian Orthodox Church stripped the head of its Ukrainian branch of his rank and privileges Friday, and bishops appealed for unity to avoid a schism that could have serious political consequences.

Metropolitan Filaret of Kiev will be allowed to remain an ordinary monk but can no longer administer any sacraments, his successor, Metropolitan Vladimir of Kiev, said at a news conference.

The five-page judicial act issued by the Council of Higher Clergy of the Russian Orthodox Church said the metropolitan had broken a long list of rules and provoked a split in the church by seeking autonomy for Ukrainian believers.

Bonn Expects Hostages Freed Soon

BERLIN (AP)—The two German hostages held in Lebanon are expected to be released soon, the chief spokesman for Chancellor Helmut Kohl said Friday. But spokesman did not confirm a report that Heinrich Strubig and Thomas Kemptoner would return to Germany on Monday.

The spokesman said Germany promised nothing in exchange for release of the hostages. Mr. Strubig, 51, and Mr. Kemptoner, 30, who have been held captive for more than three years, are the last two Western hostages in Lebanon. They were seized in May 1989, and are believed held by Abdul-Hadi Hamadi, the elder brother of Mohammed Ali Hamadi and Abbas Hamadi, jailed in Germany as terrorists.

Ideal Monkey for AIDS Tests Found

WASHINGTON (NYT)—In a development that could greatly assist research on AIDS vaccines, scientists have discovered an animal that can be infected with the AIDS virus and that gets sick, just as people do.

The animal is *Macaca nemestrina*, a light brown southeast Asian monkey, commonly known as the pigtail macaque, which Indonesian train to fetch coconuts from high in palm trees. The only other animal known to be susceptible to HIV, the virus that causes AIDS, is the chimpanzee. But chimpanzees do not actually develop the disease; also, unlike the macaque, chimpanzees are an endangered species, expensive and difficult to raise.

The discovery means that, for the first time, researchers will be able to perform larger scale tests in which they develop a possible vaccine, inject it into many animals, expose them to HIV and then see if they become sick. "This is a potentially important new model," said Dr. Anthony Fauci, the federal government's chief AIDS researcher.

Earth Parallels in Deep Space Cited

COLUMBUS, Ohio (NYT)—Evidence that planetary systems resembling the young solar system may exist in nearby parts of the galaxy has been reported by four teams of astronomers, each working independently. Three of the research papers they presented Thursday at a meeting of the American Astronomical Society focused on a star called beta Pictoris, which is visible from the Southern Hemisphere.

The investigations found chemical substances in a disk around the star that were identical to substances believed to have made up a similar disk of dust and debris once that encircled the Sun.

A fourth study found evidence of gaps in the dust disks surrounding eight other, more distant stars. These stars, all of them relatively young, are in a giant gas cloud spanning the constellations Taurus and Auriga.

Tehran to Crack Down on Dissent

NICOSIA (Reuters)—President Hashemi Rafsanjani of Iran ordered security forces on Friday to crack down on dissent to prevent a repetition of riots that rocked several big Iranian cities. He also threw his weight behind the revolutionary courts that ordered the hanging of eight rioters this week in an hard-line policy against opponents. His remarks were carried by IRNA, the official press agency, monitored in Nicosia.

"From today, the security forces are obliged to counter vicious individuals everywhere in the country," he told a gathering. He was referring to riots last month in Meshed and Arak and to April 15 rioting in Shiraz. Many Iranians blame Mr. Rafsanjani's economic program for the riots.

TRAVEL UPDATE

Casino Gambling Near in Louisiana

NEW ORLEANS (NYT)—A bill legalizing casino gambling in New Orleans has been approved by the Louisiana legislature. The passage paves the way for New Orleans to join Las Vegas and Atlantic City as major urban gambling centers.

The bill, which Governor Edwin W. Edwards has said he would sign, moved with surprising swiftness through the legislature this week. Approval by the legislature assures the construction of a large casino in downtown New Orleans near the French Quarter, at the site of the Rivergate, a little-used convention hall owned by the city.

Farmers blocked roads in southern France for a fourth straight day Friday, to protest subsidy-cutting aspects of European Community agricultural policy, the police said. Barricades and road blocks were reported in the departments of Gers, Haute-Garonne, Lot, Tarn and Tarn-et-Garonne. Protesters were expected to be suspended for the weekend and to resume Monday.

Germany Promises To Ratify EC Treaty

Compiled by Our Staff From Dispatches
PARIS—The European Community can count on Germany to ratify the Maastricht Treaty despite concerns that individual federal states might be underrepresented, a German legislative leader said Friday.

"There is no danger for ratification in Germany," Berndt Seitz, president of the upper house of the legislature, said during a visit to Paris, where he met with President Francois Mitterrand.

The Christian Democrats in Germany, the dominant party in the governing coalition there, announced a publicity drive and proposed a ministry of European affairs to sell the Maastricht Treaty to wary German voters.

The treaty, which contains major provisions for a closer European union, has come under question since Danish voters rejected it in a referendum last week.

France has also called for a referendum, while Germany intends to ratify the accord in the legislature.

A poll published Friday in France suggested that support for the treaty was declining. It indicated that the number in favor of the pact had dropped to 59 percent from 68 percent in May.

The number against the treaty rose to 41 percent from 32 percent in May.

On Thursday, more than 60 German economists criticized the planned economic union and the 16 German states threatened to block ratification of the treaty if Bonn did not give them more of a voice in Brussels.

"There are just a few small problems between the federation and the states concerning representation," Mr. Seitz said in Paris.

"But a consensus is emerging very clearly."

He said the states would individually seek guarantees of better representation, rather than holding the federation hostage by threatening to block Maastricht.

One of the functions of the upper house of the legislature is to represent Germany's states. Its presidency rotates between state leaders.

Mr. Seitz heads the state of Mecklenburg-Western Pomerania. (Reuters, AP)

The Weather



Region	City	Today	Tomorrow
North America	Albany	18.04	11.82
	Albuquerque	18.04	13.26
	Anchorage	27.80	18.26
	Atlanta	27.80	17.22
	Baltimore	21.70	14.27
	Boston	19.08	13.26
	Buffalo	22.71	14.27
	Chicago	19.08	13.26
	Denver	22.71	14.27
	Detroit	22.71	14.27
Europe	Amsterdam	22.71	14.27
	Berlin	22.71	14.27
	Brussels	22.71	14.27
	Copenhagen	22.71	14.27
	Frankfurt	22.71	14.27
	Geneva	22.71	14.27
	London	22.71	14.27
	Madrid	22.71	14.27
	Moscow	22.71	14.27
	Paris	22.71	14.27
Asia	Algeria	21.70	14.27
	Cairo	21.70	14.27
	Hanoi	21.70	14.27
	London	21.70	14.27
	Manila	21.70	14.27
	Mumbai	21.70	14.27
	Osaka	21.70	14.27
	Seoul	21.70	14.27
	Singapore	21.70	14.27
	Tokyo	21.70	14.27

Shoo-In of Delors at EC Becomes Less Certain

By Charles Goldsmith
International Herald Tribune

BRUSSELS—While the odds on betting still favor another term for Jacques Delors as the EC Commission president, Denmark's rejection of a new European Community treaty has at least provoked some warring.

Before Danish voters rejected the Maastricht treaty, Mr. Delors's reappointment to another two-year term was considered a sure thing, with re-election coming at the June 26-27 meeting of EC leaders in Lisbon.

But with many people blaming Mr. Delors, rightly or wrongly, as the epitome of big bureaucracy that Danish voters found unappealing, other names are emerging as possible candidates to be top Eurocrat.

"The feeling is still very strong that Delors will be reappointed, but that sure hasn't stopped people around here from speculating," an EC diplomat said.

Among the possibilities are two prime ministers, Felipe Gonzalez of Spain and Ruud Lubbers of the Netherlands.

Others being mentioned include the Italian foreign minister, Gianni De Michelis; a former Belgian prime minister, Wilfried Martens—who is considered a real longshot—and Haas-Dietrich Genscher, who stepped down last month as German foreign minister.

"It would be Germany's turn, because Germany has not had an EC Commission president since Walter Hallstein," said a

Bonn diplomat, referring to the commission's first president, who served from 1958 to 1967.

But Genscher's health hasn't been all that great. Being commission president wouldn't involve quite as much travel as when he was foreign minister, but it still requires a lot of running around.

Mr. Gonzalez and Mr. Lubbers, both of whom have served 10 years in their present posts, have long been interested in the top commission post. But many insiders say they would be unwise to accept a two-year appointment, for 1993-1994, rather than seek a full four-year term beginning in 1995.

The commission sits for four years, but EC countries decided to keep the current panel

for an additional two years. Mr. Delors has been president since 1985, and his second four-year term expires at the end of this year.

Britain, which takes over the rotating EC presidency in July, has often clashed with Mr. Delors. But a British official said that Prime Minister John Major would likely adopt a pragmatic approach at the Lisbon summit meeting.

"We'll be taking over the presidency a few days after the summit, and we'll have to work with Delors whether he gets a new term or not, so it would be loony for us to launch into an attack on him at Lisbon," the official said.

Diplomats say that a decision not to reappoint Mr. Delors would send a statement that the EC was abandoning the goal of European unification.

Tokyo Hobbles Stall Tactic on Troops

Compiled by Our Staff From Dispatches

TOKYO—A time limit was imposed in the Diet's lower house on Friday to prevent the opposition Socialists from using the "ox-walk" tactic to delay a bill intended to allow the sending of troops overseas.

The time-limit motion, introduced by the governing Liberal Democratic Party, was passed when Vice Speaker Kiichi Miyazawa, using his discretionary powers, ordered ballot boxes temporarily closed five hours in the vote.

Only about 30 Socialists had cast their votes by then, each taking about 30 minutes to walk to the ballot box—the so-called "ox walk" delaying tactic. They say the troops bill violates the constitution, which renounces the use of force in international disputes. About 100 of the Socialists, who had not yet voted.

Opposition deputies gathered around the vice speaker's chair to protest his ruling but soon dispersed.

Voting was to resume later in the evening.

One voting session in the upper house earlier this week took a record 13 hours to complete because of the delaying tactic. Three members fell ill, and a special rule had to be introduced to let legislators go to the toilet.

The time-limit motion passed on Friday provides speakers with 15 minutes to introduce a motion and 10 minutes for each subsequent question or answer.

The Socialists, who hold 137 lower house seats against 278 for the Liberal Democrats, have introduced a series of no-confidence and other motions in the hope of sinking the bill, which must pass this final hurdle by the end of the current parliamentary session on June 21 to become law.

The bill would allow Japan to send troops abroad for the first time since 1945 to join UN peace-keeping missions.

After months of delay, a watered-down version of the bill—limiting troops to disaster relief and activities away from the front line of combat—was approved by the parliament's upper house on Tuesday despite the delays.

A special lower house panel approved the bill on Thursday, paving the way for formal passage through the full chamber. The governing party says it will pass the bill through the chamber by Monday.

So that he could oversee the vote, Prime Minister Kiichi Miyazawa said Friday that he would not attend the Earth Summit in Rio de Janeiro. Mr. Miyazawa was to deliver a speech Saturday afternoon to the Rio meeting, either by satellite or by videotape.

(Reuters, AP)

Prime Minister Kiichi Miyazawa of Japan joking during a meeting of his cabinet council before debate on the troop bill.



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Mr. Seitz heads the state of Mecklenburg-Western Pomerania. (Reuters, AP)

Spanish Official Is Quitting

MADRID—Foreign Minister Francisco Fernandez Ordóñez, 62, has asked to be relieved of his post because of ill health, the government announced Friday.

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Walesa Denies Link To the Secret Police

By Stephen Engleberg
New York Times Service
WARSAW—His eyes blazing, his voice rising in anger, President Lech Walesa has emphatically denied that he collaborated with the Communist secret police, and accused the recently ousted government of trying to blackmail him.

The allegation about Mr. Walesa, who founded Solidarity in 1980 and has a solid anti-Communist reputation, first came to light last week when the government of Prime Minister Jan Olszewski published a list of supposed informers, including Mr. Walesa.

The president replied by engineering the fall of Mr. Olszewski and the immediate dismissal of the interior minister, who had led the hunt for Communists.

"Nobody, not even my own wife, is going to blackmail me," Mr. Walesa said at a news conference on Thursday in which his mood swung rapidly from jovial to combative.

Characteristically, Mr. Walesa chose to counterattack, directing his fire at the former interior minister, Antoni Macierewicz. He added: "I still have some aces in my sleeve, and when I show these aces, you'll be in the hospital. Hundred percent. For sure."

It was not clear precisely what Mr. Walesa was referring to, although later he alluded to the fact that many missing secret police files were still in the hands of the Russians, and could be retrieved soon. The Communist Party controlled the Interior Ministry for nearly a year after the party lost the June 1989 elections, and files were shredded and falsified.

POWS: Moscow Imprisoned GIs

(Continued from page 1)
 In those years, Moscow frequently accused the United States of violating its airspace with spy planes. Two intercepted planes received wide publicity, a C-130 shot down over Armenia in 1958, and the U-2 reconnaissance flight of Francis Gary Powers, denied in 1960.

In the first case, Moscow denied American assertions that 11 men were missing after six bodies were returned. Mr. Powers survived and was put on trial.

Mr. Yeltsin's letter also provided the committee with some preliminary evidence that Americans taken prisoner during the Korean War were turned over to China. He said that Soviet records showed that 510 Americans had been taken prisoner by the North Koreans and Chinese.

Fifty-nine of the pilots were apparently interrogated by Soviet officials, Mr. Yeltsin said, in his first report on new investigations. These are directed by Colonel General Dmitri Volkogonov, head of a new commission set up to work with an American counterpart body on resolving issues of prisoners and those still missing from several wars.

Tent Collapses, Injuring 7 at Milan Benefit

The Associated Press
MILAN—Seven people were injured, some seriously, when a tent collapsed during an AIDS benefit attended by hundreds of fashion and entertainment figures at Stroz Castle.

The tent gave way under battering rain shortly before the start of an outdoor dinner Thursday night, forcing the party to be canceled. The police said five technicians and two policemen were injured.

The storm spoiled the gala organized by the Italian fashion designers Valentino, Giorgio Armani, Gianfranco Ferré and Gianni Versace to raise funds for AIDS research.

But organizers claimed a partial success for the gala, attended by Sylvester Stallone, Sting and Pedro Almodovar, as they raised about 400 million lire (\$333,000) from an auction.

Panamá

George Bush reacting to Panama news.

George Bush reacted to news of the Panama Canal's opening to international traffic. He said the canal was a "great achievement" and that it would "bring new life to the canal zone."

Charity

By Guy Gugliotta and Kenneth J. Cooper
WASHINGTON—Many cannot get their minds around the idea of a charity that is not a charity. The U.S. Information Agency and paid for by the government. It is a charity of a U.S. corporation that contracts in the emirate.

And still others travel to it to speak to corporate interest groups, do a good charity or, on some occasions, something out of the ordinary.

AMEL TO

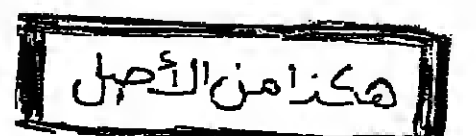
Kangaroo Care
 "Kangaroo care" — mature infants all or part of the time being isolated in a good for both parent and child.

It allows for the bonding between mother and baby. Some studies show that kangaroo care helps more stable body temperature in babies.

A lot of babies seem to be held by their parents. Director of neonatal care at the Women's Hospital in London says that kangaroo care helps babies become more comfortable in their parents' and doctors' incubators.

Kangaroo care comes developed in Colombia of a shortage of incubators, which keep kangaroos, which keep pouches next to their stings that allowed them to be warm.

Short Takes
 1960s, American business warren





George Bush reacting to tear gas in Panama City as a Secret Service agent prepared to drape a bulletproof cloak over his shoulders.

Panama Protest: Old Roots Run Deep

By Edward Cody
Washington Post Service
PANAMA CITY — President George Bush attributed his embarrassment in Panama to a "tiny little left-wing demonstration," but the U.S.-Panamanian reality has long been more complicated than that — an ambiguous mixture of admiration, dependency and resentful nationalism sharpened for many by the 1989 invasion.

Political and social-action groups, ranging from former members of Manuel Antonio Noriega's corrupt military, through leftist university students, to families of those killed in the fighting in December 1989.

Since the invasion, she and her associates have been demanding a U.S. apology for the death and destruction she says was visited on Panama by Mr. Bush and the U.S. military in violation of national sovereignty.

Charity-Conscious Congress: Lots of Golf

By Guy Gugliotta and Kenneth J. Cooper
Washington Post Service
WASHINGTON — Maybe they cannot get rich making speeches anymore, but annual financial-disclosure statements suggest that a member of Congress can still have plenty of fun — especially if the representative plays golf.

Hard Times Enterprises flow Representative James N. Inhofe, Republican of Oklahoma, to Lancaster, California, for a four-day visit to the annual "Chili Cookoff," described by his administrative assistant as "a festival kind of thing."

Policy Committee chairman, Mickey Edwards of Oklahoma, got two tickets to "Les Miserables" in New York. The National Association of Broadcasters bought Joe Barton, Republican of Texas, two tickets to see Wayne Newton in Las Vegas.

Amendment Ramblin' Ross and Detail Bill: On Budget Is Dead for This Year

By Elizabeth Kolbert
New York Times Service
NEW YORK — Ross Perot did not want to "sound-bite" his answer on the deficit, or on gun control, or on health insurance.

By Eric Pianin
Washington Post Service
WASHINGTON — With the House vote to reject a proposed balanced-budget amendment to the U.S. Constitution, a measure that was touted by President George Bush as a simple cure for deficit spending has been buried for the rest of this election year.

During his appearance, in contrast, Mr. Clinton seemed to be trying to make the most of his unenviable role as the candidate who still runs on issues and policies and positions. He occasionally lapsed into bureaucratic — "I would try to reduce federal employment and federal expenditures on the administrative aspects of all the administrative budgets of every federal department" — and his answers, complete with subparagraphs, sometimes seemed to come right out of a Democratic Leadership Council white paper.

Until this week, the amendment appeared to be sailing to victory in the House, although it was thought to face tougher opposition in the Senate.

But in protesting the pressure to compress his answers, Mr. Perot seemed finally to protest too much. Katie Couric, the host of "Today," asked him to speed up his answers only occasionally, allowing him for minutes at a stretch. Even so, he provided only sketchy details for his often dramatic proposals.

With his broad-brush proposals on taxes and a wide range of economic and social issues on "Today," Mr. Perot provided the most far-reaching plan to date for how he would govern as president.

But there was not a single question, from nuclear testing to Haidt's to the recognition of Cuba, for which he did not have a ready, detailed answer.

Asked, for instance, where he was going to get the money for his proposals, Mr. Clinton said, without hesitation: "Well, we're going to get the money to pay for the investment programs by reducing the defense, controlling health-care costs, reducing the administrative costs of government by three percent a year, keeping current costs within inflation, and asking the wealthy, whose taxes went down in the 1980s while their incomes went up, to pay their fair share."

On social policy, Mr. Perot would depart strikingly from current Republican policy on abortion, which he said must be "a woman's choice."

Members of Congress "are hopeless," he said, adding, "the vote was further evidence there won't be institutional change until there is a further sign of economic collapse."

Florida asked him about cutting Social Security to upper-income Americans, he said: "The point is, a leading economist had told me four years ago that if he basically said this to me, he said 'Perot, if people like you would give up your Social Security and Medicare and what have you, we could make a tremendous dent in the budget. And since that time, I have parroted that statement, because in my case, and I think the cases of most other people who don't need it — you, the real question is, Who needs it, and who doesn't need it?'"

At the same time that he promised to hold the line on taxes, Mr. Perot also said during his television appearance that while he opposed the balanced budget amendment

Quayle Pushes the 'Values' Button, But Will the Voters Respond in '92?

By Robin Toner
New York Times Service
ARLINGTON, Virginia — Vice President Dan Quayle has taken his campaign for traditional values to the nation's largest anti-abortion group with a full-throated iteration of the kind of social conservatism that fired the Republican Party in the 1980s.

Created by chafers of "Four More Years!" and posters that declared, "Murphy Brown Doesn't Speak for Me," Mr. Quayle asserted that he would press his case even though the "cultural elites," in some of our newspapers, sitcoms and faculty lounges "may not like it."

"The cultural elite," he added, "don't want me to talk about values, but the American people do."

Only if the union refused to submit the dispute to the fact-finders or refused to accept their proposed settlement would an employer be free to hire permanent replacements if a strike occurred.

Use of permanent replacements for strikers, allowed under current law, increased after former President Ronald Reagan replaced striking air traffic controllers in 1981.

Others question if a "values" campaign will work in the hard-bitten politics of 1992, when voters are consumed with the state of the economy and other domestic woes.

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Don Sipple, a Republican consultant who worked for the Bush campaign earlier this year, says such appeals may help with the conservative base, but may seem

AMERICAN TOPICS

'Kangaroo Care' Found to Benefit Premature Babies and Mothers

"Kangaroo care" — mothers holding their premature infants all or part of each day instead of the babies being isolated in incubators — appears to be good for both parent and child, The New York Times reports.

Short Takes

American business was globally minded in the 1960s, writes Warren Coloney, an international

businessman himself, in FLAGSHIP, the magazine of the Federated League of Americans Around the Globe. Then came oil shock and recession. American companies trimmed overseas operations and began relocating international headquarters in the United States.

Barbara Boxer and Dianne Feinstein, California's winning Democratic nominees for the U.S. Senate, plan to campaign as a team, according to the state party chairman, Phil Angelides.

Sai Ivone, managing editor of Weekly World News, one of the supermarket tabloids with news of Elvis sightings and insidious space aliens, told the Columbia Journalism Review, "If someone calls me up and says their toaster is talking to them, I don't refer them to professional help. I say, 'Put the toaster on the phone.'"

Arthur Higbee

French Grand Prix

French Grand Prix

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In 1988, 38 percent of Americans abroad voted in the presidential elections, compared with about 50 percent of Americans living in the United States. This represents a 5 percent increase over the 1984 figure.

Henry Valentino, chief U.S. representative of the bipartisan Federated League of Americans Around the Globe (FLAAG) and former director of the Federal Voting Assistance Program (FVAP) in Washington, D.C., points out that some U.S. elections, such as that of Senator Connie Mack of Florida, have actually been won through the late count of absentee ballots. When the polls closed, Mr. Mack was behind, but 10

AMERICANS FLAG DAY VOTING SPECIAL

AROUND THE GLOBE

because they voted in an election for federal office," says Mr. Valentino.

State and local governments must extend the same protection to all ballots cast for federal offices. "The states have been very cooperative in implementing this law. We have not received a single complaint about this in six years," says Peter Alegi, an international lawyer based in Rome who is chairman of Democrats Abroad and co-president of FLAAG.

use a Federal Post Card Application (FPCA) form, which is available from any American embassy or consulate and most organizations representing overseas Americans. FLAAG or MCI will mail the form on request (see the coupon on this page). If the FPCA is not available, a letter requesting an absentee bal-

lot can be sent to the county or town clerk in the locality where the person last resided or registered to vote.

Using an FPCA will expedite your request because it is accepted by all states as either an application for registration and/or as a request for an absentee ballot. FLAAG is encouraging all states to use the FPCA as a combined registration form and request for ballot to save time and make the process simpler.

The FPCA is sent to the town clerk in the district where the voter last registered to vote or resided. A "Voting Assistance Guide," available from U.S. embassies and consulates or by writing to the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402, lists addresses for county and local election officials and contains information on how to complete the FPCA for each state.

The application should be sent to the local election official at least 45 to 60 days before election day, which falls on Nov. 3 this year. The local election of-

official then sends a ballot through the mail to the voter, who must return it by election day.

If the ballot is not received in time, a write-in absentee ballot can be obtained from an embassy or consulate. FLAAG would like to see these write-in ballots expanded so that they can also be used to vote in primary elections. At present, the write-in ballots can be used to vote for the president, U.S. senator and U.S. representative.

FLAAG is also promoting the passage of a proposed amendment to the Uniformed and Overseas Citizens Absentee Voting

are available to help voters with the process.

The work of getting the rights of Americans overseas recognized goes on. Last month, FLAAG's Mr. Alegi testified before the U.S. House Subcommittee on International Law, Immigration and Refugees concerning citizenship issues affecting Americans around the globe. With MCI's assistance, FLAAG is monitoring legislation affecting all U.S. citizens overseas.

FLAAG is continuing its efforts to bring the special needs and interests of the more than 3 million Americans living overseas to the attention of the administration, Congress and other elected officials. The organization welcomes input on the issues and can be contacted at the address below.

"FLAAG and MCI encourage you to vote in all elections and, in particular, the general election on Nov. 3," says Mr. Valentino. "Your vote and your voice can make a difference."

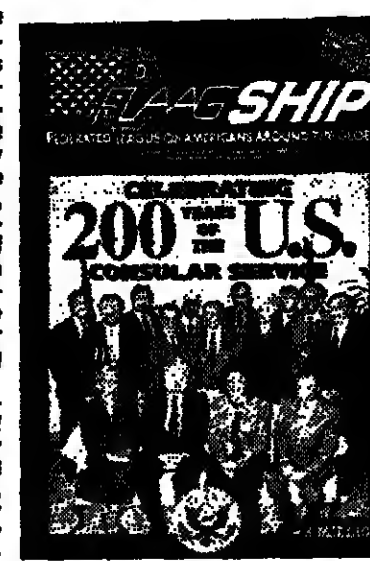
In case there is any question about whether Americans abroad take an interest in the American electoral process, Mr. Valentino cites a survey of 10,000 overseas Americans he conducted when he was the director of the FVAP: "Only 4 percent of them said they were not interested in the elections." In 1988, 21 U.S. elections were decided by margins smaller than the absentee ballot count.

Waving the...

FLAAG - the Federated League of Americans Around the Globe - is a nonprofit, nonpartisan advocacy/service organization representative of and open to all Americans with an interest in issues, services and activities affecting U.S. citizens abroad. In its advocacy role, FLAAG addresses the U.S. Congress and administration in order to bring about improvements in the areas of taxation, medical coverage, citizenship, education, voting, business competitiveness and personal security as they regard overseas Americans.

In its service role, FLAAG offers its members FLAAGSHIP Magazine (the spring/summer issue will be out in early June), worldwide health insurance, international seminars and special events, a data bank and resource center, the opportunity for global networking and more.

FLAAG members live and work, study or serve literally all around the globe, in almost every country, on every continent and include individuals and groups such as business organizations, educational institutions, civic associations and clubs. To become a FLAAG member and benefit from FLAAG services and activities, please contact: FLAAG, 91, rue du Faubourg St-Honore, 75008 Paris, France. Phone: 33.1.42.66.90.75. Fax: 44.18.03.20. MCI is the official telecommunications sponsor of FLAAG.



• This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. • It was written by Heidi Ellison, a Paris-based writer and editor.



days later, after the absentee ballots had been counted, he had a job.

In 1988, according to Mr. Valentino, 21 elections were decided by margins smaller than the absentee ballot count. "The overseas vote has had and will continue to have a significant impact on elections," he says. "In 1988, the military and overseas vote represented 3.5 percent of total votes cast."

FLAAG is working with MCI International, a subsidiary of MCI Communications Corporation, to encourage every American abroad to find two overseas citizens who did not vote in 1988 and get them to vote in 1992. "This would make elected officials feel the influence of Americans around the globe," says Mr. Valentino.

Americans cannot be taxed by federal, state or local governments when exercising their right to vote for federal offices. By law, their right to vote for federal offices is entirely independent of taxation. "In 1978, the law was amended to prevent any government agency from taxing individuals solely

Absentee voting by Americans around the world is getting easier all the time. "One of the major impediments was the requirement by certain states of a signature witnessed by a consular officer or a notary," says John G. McCarthy, Jr., the Geneva-based chairman of Republicans Abroad. FLAAG, the Democrats Abroad, the Republicans

Absentee ballots can decide some elections

Abroad and the FVAP are working on the remaining eight states that still have a notary requirement.

Since 1975, all citizens over the age of 18 who have resided in the United States before going overseas have the right to vote in federal elections. FLAAG is currently promoting changes in the law to enfranchise the approximately 50,000 overseas citizens who have never lived in the United States.

The simplest way to vote in federal elections, including primaries, is to

lot can be sent to the county or town clerk in the locality where the person last resided or registered to vote.

Using an FPCA will expedite your request because it is accepted by all states as either an application for registration and/or as a request for an absentee ballot. FLAAG is encouraging all states to use the FPCA as a combined registration form and request for ballot to save time and make the process simpler.

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The application should be sent to the local election official at least 45 to 60 days before election day, which falls on Nov. 3 this year. The local election of-

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OPINION

Herald Tribune

Russia: Friend and Partner

The approach of the Bush-Yeltsin meeting next week has forced the pace of American-Russian nuclear arms control and produced differences significant enough to lead the two countries' foreign ministers to schedule a sudden extra meeting Friday in London to try to bring their principals within negotiating range.

Japanese Peacekeepers

A passionate 18-month parliamentary debate has put Japan on the edge of being ready to approve its first overseas military deployment since World War II. The troops would be limited in authorized United Nations peacekeeping missions, would be intended for noncombat service only and would have to be approved by the Diet each time around.

Profit and Excellence?

Can a new network of private schools serve as a model to improve American public education? That is the goal of the Edison Project, brainchild of Christopher Whittle, the Tennessee entrepreneur. He hopes to build 1,000 private schools educating two million students by the year 2010.

Justice for Demjanjuk

At least one question has been cleared up in the trial of John Demjanjuk. It now appears that Israeli courts will not, as many had feared, try to sustain the conviction and death sentence of the 72-year-old retired auto worker if new evidence demolishes the case that he was Ivan the Terrible, Mr. Demjanjuk, who was extradited from the United States to Israel, tried and condemned to death on charges of being the monster who ran the gas chambers at Treblinka, may still turn out to have trained and served as a concentration camp guard in the nearby camps of Sobibor and Travniki.

Joining Hands With Yeltsin's New Russia

By Richard Nixon

PARK RIDGE, New Jersey — President Boris Yeltsin of Russia will meet with me on Tuesday and Wednesday not looking for handouts but to join hands in a new partnership based on shared democratic values. The United States must seize this opportunity not only because of its ideals but because of its interest in peace and progress.

Yugoslavia: A U.S. Role but Not on the Front Line

By A. M. Roenthal

NEW YORK — Once again, it is up to the United States to make the decision for Europe — as it has been ever since World War II and as it will be for years to come.

Greece Has the Answers to the Macedonia Question

By Leslie H. Gelb

ATHENS — What's in a name? Ghosts or real historical demons. Perhaps war or peace. Nothing and everything.

A Fix-It Man With a Birthday Fixation

By Charles Krauthammer

WASHINGTON — I was stopped at a red light just outside the television studio when I tape the weekly program "Inside Washington" when a car pulled up beside me and the driver, a perfect stranger, rolled down her window. "Charles, Charles," she called out. "I love your show. Do get with the program. Perot in '92. We're going to do it!"

Dwayne Andreas, chairman of Archer Daniels Midland, the agricultural exporter, estimates that when Mr. Yeltsin achieves that goal, Western companies will commit themselves in investments of \$100 billion in the first 18-month period, \$200 billion in the second and \$400 in the third.

1967 War: Studying The Light

By Stephen S. Rosenfeld

WASHINGTON — Of the four big Arab-Israeli wars, the one in 1967, whose 25th anniversary falls this past week, is the most haunting. Certainly the wars of 1948, 1956 and 1973 were planned and in that sense unavoidable.

Correction

In the article "Yugoslavia: A U.S. Role but Not on the Front Line" by A. M. Roenthal, published in the June 13-14 issue, the author incorrectly stated that the United States should not be used to prop up failed state-owned enterprises.

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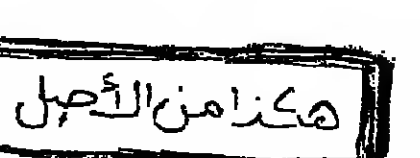
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INTERNATIONAL HERALD TRIBUNE KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER Co-Chairman LEE W. HUEBNER, Publisher JOHN VINOCCO, Executive Editor

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Rainbow Room, with the best view this side of Windows on the World.

• **The annual Mostly Mozart Festival** pulls out the stops in a continuation of the bicentennial of the composer's death. The **Mozart Operas Festival** (Aug. 10-22) features concert performances of early Mozart rarities, including "Mitridate," "La Finta Semplice," "Apollo et Hyacinthus," "Il Re Pastore" and "Thamos."

• **Broadway** is booming. "Jelly's Last Jam" features

tap master **Gregory Hines** in his Tony-winning interpretation of jazz/blues legend **Jelly Roll Morton**. "Crazy for You" incorporates Gershwin tunes and the best dancing on Broadway. "Guys and Dolls" is a loving recreation of the musical based on **Damon Runyon's** Broadway gamblers. "Falsettos" simultaneously brings laughter and tears in a musical about gay life amid the specter of AIDS.

• **Andrea Mantegna** receives his first major retrospective in the New World at the Metropolitan Museum of Art. While there, check out the spectacular new **Michael Rockefeller Wing of Micronesian art** and the beautiful American sculpture garden.

• **Ellis Island**, the gate-

way to the New World for millions of immigrants, has finally been restored to its former magnificence. Aside from special tours (call 439-1090), there is regular ferry service from Lower Manhattan.

• **The JVC Jazz Festival** continues as the most prestigious jazz showcase in the world: **Lionel Hampton**, **Ray Charles**, **Dizzy Gillespie**, **Mel Tormé**, **Ruth Brown** and others. A must for jazz buffs (June 19-27).

• **The L.B.M. Gallery of Science and Art** is New York's newest major museum space. Following up on the sensational "French Landscape Art" of last summer will be "Russian Avant-Garde Stage Design 1913-1935" from Russia; and "Korean Costumes and Textiles," a comprehensive exhibit from the Choson period.

• **This is the time of year** to visit New York's most famous amusement park, **Coney Island** (weekends only until 19 June). Rates are only \$1.50-\$3. It's true: **Nathan's hot dogs** are better there. Check out the **Wonder Wheel**, a Ferris wheel in which each seat swings out on giant ball bearings, and the hallucinogenic murals on the fun houses, which could confuse **Hieronymus Bosch** himself. The **New York Aquarium** is practically next door.

• **The Serious Fun Festival**, July 7-30, brings the best downtown performers — dancers, comics, performance artists — Uptown to **Lincoln Center's Alice Tully Hall**.

• **The Flatiron District** has become Manhattan's answer to **King's Road** or **Saint-Germain**. Check out stores like **Emporio Armani**, restaurants like the **Union Square Café**, and night spots like **Café Iguala**. On Wednesdays and

Saturdays, **Union Square** (at the district's south end, bordered by 14th Street) is transformed into the city's largest market, with dairy farmers, private-label vintners, fishermen, truck farmers, apple growers and Amish cheesemakers from upstate New York. **Long Island and rural New Jersey**. On the northern end (at 23rd Street) is the distinctive, triangle-shaped landmark skyscraper that gives the district its name.

Where to Stay

Many hotels in New York offer weekend discounts in the summer. Check with a travel agent.

The Carlyle: Near Madison Avenue shops and galleries. At the **Café Carlyle**, legendary cabaret performer **Bohdy Short** plays piano and sings **Cole Porter** until June 27; then **Kurt Weill** plays at **Beethoven's Bar** all summer, starting in late June. \$250-\$1,300 per room. Madison Ave. & 76th Street, tel. 744-1600.

Delmonico's: Equidistant from **Bloomingdale's**, 57th Street shops and galleries, and the Midtown Business District. All suites, with kitchens. Rates: \$175-\$450. Summer special (until Sept. 13): \$165 one-bedroom suites. Park Avenue at 59th Street, tel. 486-0508.

Essex House: Newly restored Art Deco landmark overlooking **Central Park**. **Les Célébrités**, new four-star restaurant. Rates: \$240-\$1,200. Weekend packages: \$185-\$285; ask for details. 160 Central Park South, tel. 247-0300.

Gramercy Park Hotel: Access to **Gramercy Park**, the city's only private park. Rates: \$125-\$200. Weekend rates: \$95/night, single or double; suites \$125. Lexington Ave. & 21st Street, tel. 475-4320.

Hotel Lexington and Towers: Near **Grand Central Terminal** and **East Side** businesses. Rates: \$155-\$180. Summer specials: for **Tower Rooms**, \$129; for **standard rooms**, \$99; until Sept. 5. **Executive Club Program**: \$149 single, \$159 double; free cocktail, hors d'oeuvres, newspaper, fresh fruit, toiletries. Lexington Ave. & 48th Street, tel. 752-8100; fax 752-6180.

Hotel Maria: Newly restored loft building Downtown near **Chinatown**, **SoHo** and **Wall Street**. Rates: \$125-\$225. Lafayette & Howard Streets, tel. 966-8898.

The Pierre: Famed landmark on the park. Rates: \$300-\$800. Weekend: \$250/room, \$350/suite per night, two-night minimum; includes Continental breakfast. Fifth Ave. & 61st Street, tel. 838-8000.

Plaza Athénée: European elegance on the Upper East Side. Near **Bloomingdale's**, shops, galleries and interior design buildings. Rates: \$275-\$900. Weekend packages: \$360 per night for a suite; \$240 for deluxe room, champagne and Continental breakfast. 37 E. 64th Street, tel. 734-9100.

Rhiga Royal Hotel: 54-story, all-suite hotel in Midtown. Rates: \$260-\$1,800. Super Saver, \$195 per night. 151 W. 54th Street, tel. 307-5000.

The St. Regis: Quiet luxury in the heart of Midtown. Rates: \$350-\$3,000. Weekend special: \$325 for room with Continental breakfast and full butler service. Fifth Ave. & 55th Street, tel. 753-4500.

The Stanhope: In the heart of **Museum Mile** (overlooks **Metropolitan Museum of Art** and **Central Park**) and the **Madison Avenue galleries**. \$275-\$2,500. Summer spe-

cial: deluxe room, \$195; one-bedroom, \$275. Available June 29-Sept. 7. 995 Fifth Ave. at 81st Street, tel. 288-5800.

Waldorf-Astoria: Hotel of kings and presidents. Rates: \$240-\$2,500. The **BounceBack Weekend**: \$195 per night; \$325 for a suite. Park Ave. & 50th Street, tel. 355-3000.

The Westbury: New York's most elegant hotel, near **Central Park** and **Midtown**. Rates: \$245-\$2,000. Special 1-2-3 Package: \$200 for first night, \$300 for two nights, \$400 for three. Weekend rates \$200-\$215. Madison Ave. & 69th Street, tel. 535-2000.

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One of the best ways to see New York, especially in the summer, is by walking. The following are the best tour operators and sources for theme and private tours.

Arthur Marks: New York's best-known tour guide. Aside from his encyclopedic knowledge of Manhattan and Brooklyn, he cultivates his presentation with appropriate songs and a constant stream of fascinating trivia. Tel. 673-1477.

Museum of the City of New York: The widest selection of historic tours in the city, given by experts. Tel. 534-1672.

92nd Street Y: **Barry Lewis** is in charge of extensive walking tours that cover every aspect of the city. Tel. 415-5599.

Gray Line: **Justin Ferrate**, who now runs this venerable bus tour service, promises tours more informative than in the past. Tel. 397-2600.

Brooklyn Historical Society: Theme tours of Brooklyn Heights, Cobble Hill, Flatbush, Gravesend, Park Slope, Fort Greene and other historic neighborhoods. Tel. (718) 624-0890.

Joyce Gold: Private tours from this historian and author. Tel. 242-5762.

Stardom Tours: **Beverly Hills** goes East! A minivan that takes you to the homes of TV, film and theater stars. Tel. 222-STAR.

Circle Line: Leisurely boat tours around the city and up the Hudson River. Tel. 563-3200.

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ART

A Record for Fabergé Egg

A diamond-studded Fabergé Imperial Easter Egg, dubbed the "love trophy egg," has sold for \$3.19 million, a record for a Fabergé egg or any Russian work of art, Sotheby's New York said.

FOR SALE/SOLD

occasion was the birth of their son, Alexei, the heir to the throne. The Imperial Easter Eggs were produced by Peter Carl Fabergé, the legendary St. Petersburg goldsmith and jeweler. It is believed Fabergé produced 54 eggs, 47 of which are believed to survive today.

Victorian record: An auction world record for a Victorian painting has been set, when Richard Dadd's picture of fairies, "Oberon and Titania," sold for £1.65 million (\$3 million), Christie's in London said. The painting went to an anonymous bidder in the saleroom and was sold by Myron Kamin of Regis Corp., based in Minneapolis.

ters in Shakespeare's play, "A Midsummer Night's Dream," in an intricately detailed setting of plants, insects and fairies. He painted it over four years from 1854, when he was confined at London's Bethlem Hospital.

Furniture appreciation: An 18th-century French table bought by Basia Johnson of Princeton, New Jersey, in 1981 for \$330,000 (then \$637,000) has been sold for \$1.21 million (\$2.2 million), Christie's auction house did not identify the buyer, who submitted a bid before the auction. Basia Johnson is the widow of the Johnson & Johnson pharmaceuticals heir, J. Seward Johnson. The richly gilded four-legged table was made in the neo-classical style by Jean-François Leleu in the early 1770s.

Gauguin as anarchist: A collection of letters by the 19th-century French painter Paul Gauguin, showing the artist's anarchist streak and his spirited defense of the Polynesian islanders among whom he lived, were auctioned on Friday. The letters were among memorabilia sold by descendants of a navy doctor who bought them in Tahiti, when Gauguin's effects were sold off at his death in 1903. The letters, and several sketches, were sold to various collectors and the French museums' authority, for 1.16 million francs (\$215,000).



Picasso's "Guernica," which was expressly willed to the Prado by the artist, will instead be exhibited at the Queen Sofia Center of Art.

'Guernica': Was Prado Right to Let It Go?

By John Russell
New York Times Service

MADRID — In newspapers all over Spain, and on the nightly television news in Madrid, there had been continual talk about the future of Picasso's huge painting "Guernica."

Should it stay in the Prado, as was Picasso's expressed wish, supported unanimously by his heirs after his death?

When "Guernica" was relinquished in 1981 by the Museum of Modern Art in New York, where it had been on view since 1939, it was specifically on behalf of the Prado, with which Picasso had identified so strongly.

Or would it make more sense to ignore any possible moral obligation and ship the painting downhill to the Queen Sofia Center of Art — universally known as the Reina Sofia — which is shaping up to be

Madrid's first comprehensive museum of modern art.

"Guernica" is, after all, one of the monuments of 20th-century art, and the Reina Sofia, which did not exist when Picasso made his wish known, could be said to be the best and most natural place for it.

As to what the Prado's decision would be, news was scanty but rumor ran hot: One newspaper was reduced to photographing a heap of discarded rubbish outside the back entrance to the Reina Sofia.

In May, the decision was announced by the governing body of the Prado. Of the 21 persons present, 17 voted in favor of the proposed transference to the Reina Sofia (scheduled to take place later this month), while the four others abstained.

In considering the problem, it has to be remembered that "Guernica" was a political statement as well as a work of art.

Commissioned and paid for in 1937 by the lawful Republican gov-

ernment of Spain, it has a twofold place in the folklore of 20th-century art.

It can, in point of fact, be read in a great many ways, and it makes sense in all of them. On one level, it has the immediacy of a news photograph. On another, it secretes layer upon layer of allusion, some of it conscious, some of it probably not.

It has even been suggested that in this tumultuous portrait of catastrophe there is an allusion to the anemone that sprang from the blood of Adonis and became a symbol of his resurrection.

But it is more to the point in the present context that "Guernica" was painted in rage, and in haste, as an act of protest against the destruction of an undefended Spanish city by enemy aircraft.

To that extent, it has still the character of an oversized time bomb with a very long fuse that may be lighted at any time.

More than 50 years have passed, and many passions have cooled or

been superseded by others, but it is still conceivable that the presence of "Guernica" within the Prado, with its historic and uniquely important collections, might present a security risk.

AS WAS once said to this critic by a diplomat, "That thing may be a great picture, but governmentally speaking, it would be just a damned nuisance."

Hardly was the ink dry on the agreement before plans were put into action for the removal of "Guernica" from the Casón del Buen Retiro, a 17th-century palace near the Prado's main building, where it had been displayed since October 1981 in virtual isolation, looking like a bulletproof altar-piece.

This was a ridiculous arrangement, and one contrary to the wishes of both Picasso and the authorities of the Prado.

The Casón del Buen Retiro has 8 cent style, but it is not an art gallery. Nor does it look like one.

The Prado never wanted "Guernica" to be shown in the Casón del Buen Retiro. When it became clear in 1981 that the government would disregard the Prado's own plans to display the painting within the museum proper, its director, José Maouel Pita Andrade, sent in his resignation.

As is well known, "Guernica" was on loan to the Museum of Modern Art on the understanding that when parliamentary democracy was re-established in Spain it would be sent to the Prado and shown there.

Picasso wanted it to be under the same roof as Titian, Dürer, Rubens, Velázquez and Goya.

Like J. M. W. Turner, who asked in his will that his work hang beside that of Claude Lorraine in the National Gallery in London, Picasso felt very strongly that his work should be able to stand up to the Old Masters.

In 1947, he was asked to give some paintings to the Musée National d'Art Moderne in Paris (which by the way had never offered to buy one).

When he handed over no fewer than 10 important pictures, he was invited to come and see them hung for an evening in the Louvre, for his own private interest.

The banging was done first among major French 19th-century paintings and later among the

Spanish Old Masters. It was one of the great moments of Picasso's professional life.

No one present ever forgot the intensity of his concentration. He seems to have said nothing until, at the end, he burst out in relief and delight, "Ca t'ent le coup!" ("They hold their own!")

Given those feelings, and given the supreme quality of so much that is in the Prado, it is inconceivable that he would have liked to see "Guernica" shunted off to a refurbished ballroom in a building not previously associated with the great museum.

He wanted the Prado itself, or nothing.

However, there is now a completely new situation. The Reina Sofia has ambitions to be a truly comprehensive museum of 20th-century art. "Guernica" will be its cornerstone.

The museum already has major paintings by Miró (given by his widow), but it is not a still life by Juan Gris and the belated beginnings of a first-rate group of paintings by Picasso.

It should be added that "Guernica" is not being given to the Reina Sofia. It will be there on deposit, and as part of a general reordering of the national collections.

Geographically speaking, the move is not a big deal. The Reina Sofia is just a brisk five-minute walk downhill from the Prado.

AS MOVES go, it is shorter than the ones involved when Picasso's portrait of Gertrude Stein was moved from the Museum of Modern Art to the Metropolitan Museum, or when Scurat's "Une Baiguade, Assises" was transferred from the Tate Gallery in London to the National Gallery.

All such changes have their painful side. As the director of the Prado, Felipe Garin, said the other day, "No museum director likes to lose a picture, but the reordering of our national collections makes good sense. 'Guernica' is a very, very important painting, and we are proud to have had it in our care for 10 years. But it does not form part of the historical collections of the Prado."

But "Guernica" is not lost to Madrid, and it still belongs in law to the Prado, even if it will now lead a new life in a new and potentially wonderful museum.

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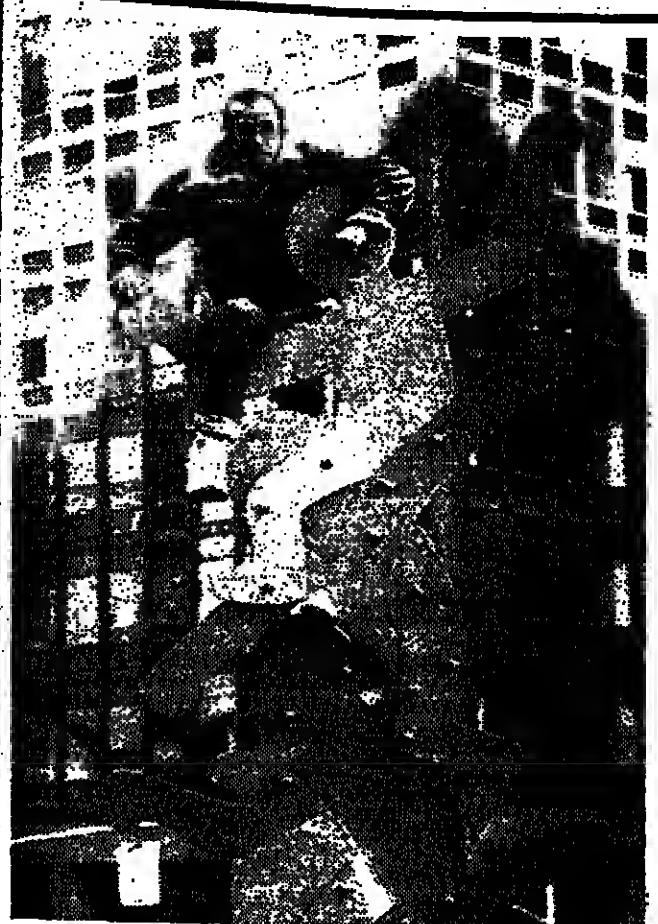
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A Gallery Built for Magritte, and Vice Versa



The late Keith Haring, and one of his sculptures.

Keith Haring: Dumb Work

Show Includes Warhol, Disney

By Paul Richard
Washington Post Service

WASHINGTON — When he died in 1990 of AIDS at 31, Keith Haring was a minor New York art star. His fame is fading fast, and will soon be undetectable, but he's still remembered vaguely as something of a good guy. He was nice to dogs and children. He was patient with reporters. He handed out free buttons to people in the subway — they showed his signature cartoon, his "radiant baby."

While Haring had the strength, he was busy, busy, busy. He "wrote" acres of graffiti, decorated nightclubs, and made posters that advised the young to stay away from crack, fight for freedom in South Africa, and refrain from drinking beer.

What has dimmed his reputation is the unrelenting dumbness of his art. Haring is the focus of "Keith Haring, Andy Warhol, and Walt Disney," the big and brainless summer show that has opened at the Corcoran Gallery of Art. Why Warhol? Why Walt Disney? The two were Haring's heroes, and they're here to prop him up. Few American museums — even the Phoenix Art Museum, which organized this loser — would show Haring on his own.

"The 'Pop Shops' Haring opened in 1986 were outlets for his infantile products. He peddled blow-up toys and posters, refrigerator magnets, copyrighted T-shirts and other happy junk. His more serious art he sold through a gallery, but even his big canvases are sometimes smile-button simple.

Elitists don't fill galleries. David C. Levy, the Corcoran's president and director, wants to bring the people in. The trouble with this show is that its minuscule ideas won't bear a lot of thought. Warhol and Walt Disney aren't really Haring's sources; their presence is gratuitous.

Another bad idea peddled by this show is that its artists matter just because we know them well. But that is just a stab at linking Haring with his betters. The three, notes the catalogue, "are among the most popular artists America has ever produced," as if popularity meant quality. These artists, says the Corcoran, "may be considered the quintessential chroniclers of 20th-century popular culture." Scramble down that chain of thought and you'll end up with the Smurfs.

HERE is nothing wrong with showing art that everybody likes. But why not do it smart? Walter Hopps, a former director of the Corcoran, late one night dreamed up a show that, at least at the fringes, would have overlapped with this one. It was to be called "Seven Enormously Popular American Painters." Hopps, as I remember, was going to surround its central two-man show with art by five supporting players — Norman Rockwell, Rockwell Kent, Saul Steinberg, N.C. Wyeth and Walt Disney. Its mega-stars would have been those two great specimen-selectors — Audubon and Warhol. That would have been a show worth seeing.

"Keith Haring, Andy Warhol, and Walt Disney," which isn't, was organized in Phoenix by Bruce D. Kurtz, who called Haring a good friend and Warhol "my hero." Give Kurtz credit for his motive: He wanted to do something nice for his two dead friends. He got the Phelps Dodge Corp. to support the show in Phoenix; the Pacific Televis Foundation helped pay for its visit to the Corcoran, on view through Aug. 16.

LONDON — Even the most uncompromising building will eventually find the art exhibition that at last gives full justification to its appearance. If the Hayward Gallery did not exist, it would have to be designed for the Magritte show it so aptly houses until Aug. 2.

The concrete mass oddly reminiscent of a blockhouse has a bleak finality beyond comprehension or redeeming grace that the Belgian Surrealist successfully strove to achieve. The long journey through an unnecessary maze of gray-walled corridors and short flights of stairs that eventually takes the visitor to the higher level where he

SOUREN MELIKIAN

must yet find his way to the entrance, following arrows at intervals, is a suitable introduction to a maze of haphazardly formulated ideas that will leave many wondering what this is all about.

Along the way, a poster depicting a featureless but bowler-hatted gentleman (chosen as an homage to the nearby City?) pops up here and there, like Big Brother's silent warning, so that the beginning is a bit of an anticlimax. In a narrow space, a few pictures show Magritte before Magritte, starting in 1920, when the 22-year-old Belgian shared a studio with his fellow painter Pierre Flouquet. He was then involved in poster design after five years of intermittent training at the Académie Royale des Beaux-Arts and appears to have been uncertain about which way to go in his higher endeavors.

Magritte first tried his hand at avant-garde — yesterday's avant-garde. The portrait of his friend Flouquet, dated 1920, halfway between pre-World War I Cubism and Futurism, is a jigsaw puzzle of curving geometrical figures. "Baigues," painted a year later, is like a remake of Léger by a poster designer — three women in the nude done without much apparent concern for the quality of draftsmanship or brushwork. A few white blobs go up, perfecting the illusion of a poster project for fizzy mineral water.

In the next two years, Magritte continued to experiment in a variety of styles, like an advertising professional concerned with the idea and the effect rather than his own vision. Three nudes in an interior, which the catalogue enthusiastically hails as an "impeccably structured composition, perhaps the finest of Magritte's cubist works, is more like a parody of the Cubist approach. It does not analyze and break forms across slightly schematized bodies by abruptly changing the intensity of coloring. The effect is one of collage, the handling slightly naive.

Possibly distrustful of his own forays into the more modern-awakened of the immediate past, the young Belgian looked further back in time for inspiration when portraying his wife or his friends. George Magritte, née Berger, done in 1923, is a purely figurative, rather amateurish portrait combining the thick brush strokes of Fauvism, 20 years earlier, and the colors of Impressionism. A stint of free-lance advertising for a Brussels fashion house in 1924 may have given his thoughts a new twist. A "Bather" painted in 1925 looks like any Art Deco poster. The reclining figure of a woman, sleek and stiff as a pink celluloid doll, is set on a solid black patch framed by two other bands, presumably for the floor-



"Le double secret," 1927, oil on canvas, by Magritte, at the Hayward Gallery exhibition in London.

ing. According to the catalogue, Magritte took his cue from a picture by Gustave de Smet, whose style influenced by folk art is given here a slick modernist touch.

Two chance discoveries at last allowed the artist to evolve the style to which he was to stick in the main for the next 42 years of his life. A friend showed him a photograph of Giorgio de Chirico's "Love Song," whereupon by his own account he "could not hold back his tears." Two years later, in 1925, Magritte saw some of Max Ernst's papers collés. That set the clock ticking. "Nocturne" is among the first, ambitious works in Magritte's own style. It shows a picture within the picture seen in an exaggeratedly slanting perspective. A red drape

in the foreground aims at a self-conscious childish effect. The picture is a seascape — a tempestuous sea at night, possibly the remains of an earlier work not from Magritte's hand but painted over by him. A tiny house on fire on the dark horizon is certainly his own, however. The seascape stands in a kind of room with a cracked ground against an uncertain bluish backdrop. A red bird flies across the frame and an outsize piece of turned wood painted white, rather like a chessman, rises from the ground.

A certain sketchiness still appears here, which was to be increasingly reduced over the next two years in favor of the neat, carefully groomed manner that was by and large to prevail from 1927 on. It is already

contrived in "Le Parc du Vautour," a 1926 landscape. A tree is boxed in an open case set on a red drape — the ground — against blackish purple mountains under an other sky. Two white frames rise behind the box as part of a chromium-plated curtain rod sticks out to the left of it — this, you see, is Surrealism. Were it not for the schoolboyish incongruousness, kitsch would describe it just as well.

In "L'homme du large" of 1927, the schoolboyish touch goes on several notches. A man in galoshes stands on a sandy beach, his head replaced by a sample of cut-out imitation wood that could be lifted from a catalogue of interior design supplies. So could the handlebar attached

to the fragment of a door hanging in the air on which the man's hand rests. To sound it off, his two feet stand on pieces of cut out flooring, like bits from a giant jigsaw puzzle, with part of a chimney piece attached to one.

What could be called the split-image syndrome recurs again and again after that, conveniently deflecting attention from the modesty of the pictorial achievement. "Le double secret" shows two fragmentary feminine busts, set against a choppy sea. One retains much of the mask, the other, missing most of it, reveals the inner shell of the doll-like object hung with bells. For the benefit of the more insensitive viewers, the catalogue explains that "of all Magritte's variations on the double image, this is surely the one richest in poetic invention." The poetry, if it is there, is hardly matched by any summing pictorial mastery.

"Decouverte," the closeup of a woman in the nude copied from a photograph, cruelly betrays the painter's weakness. The hand looks like a ham and Magritte did not get the arm that goes down quite right. But this perhaps is petty harping for a man who struck upon the rich idea of covering parts of the skin with the veins of traditional oaken flooring such as may be seen in 19th-century apartment buildings.

THE next phase for Magritte was to rely on words for the effect he sought to achieve. In one picture "Le Miroir vivant," four French inscriptions in a neat schoolboy's longhand are written across irregular white splashes on a white ground. They read, in English translation, "character bursting out laughing," "horizon," "cupboard" and "bird cries."

Another picture, "La Maldicition" (The Curse), shows white clouds in a sky. The brilliant idea, we are told, lies in choosing such a title for such a subject. The painting could otherwise be a color transparency taken for a meteorological documentation purposes. In some compositions, unrelated elements are carefully painted side by side as in a rebus. "L'attente" (Terrorist Action) shows a kind of spherical land mine lying on wooden planks, flanked on one side by a big box painted with a sky motif and on the other by a framed closeup of a woman's bust. After a short while, the diversity of the images fails to redeem the monotony of the underlying idea, that of a pun. The show irresistibly calls to mind those people unable to stop themselves from telling countless jokes, all in the same monotonous delivery.

As if anxious for a change of pace, Magritte abruptly indulged after 1945 in a series of paintings copying Renoir's later style, some of mildly provocative inspiration. In 1948, came a series of outright spoofs of Matisse and Manet, which were coldly received in a small Paris 008-men show. Magritte reverted to his earlier manner, doing here a room filled with a green apple, and there a shower of moonque-like bowler-hatted figures. Some may be charmed by the imagination at work. Others will leave with a throbbing head as after one of those meetings in which slogans, hammered with a hundred variations, in the end all amount to much the same — a random choice of words, perfectly unnecessary.

The show will travel to the Metropolitan Museum of Art in New York, the Menil Collection in Houston and the Art Institute of Chicago.

Changes at the Top at Sotheby's

PARIS — A tremor is running through the auction scene. On Tuesday, Hugues Joffre, a senior director of Sotheby's and head of contemporary art in Europe, submitted his resignation to Sotheby's management. He gave no reason, sources at Sotheby's said, and no official statement was issued by the auction house. But word quickly got out in the art trade where Joffre, 33, who built up Sotheby's fortunes in the field of contemporary art from Europe, is enormously respected.

All that Simon de Pury, deputy chairman of Sotheby's Europe, would say in a telephone interview was that Joffre "would be leaving in six months' time and would be assisting in the transition." When asked if Joffre would still be con-

ducting the forthcoming auction of contemporary art in London on July 2, de Pury said with some hesitation in his voice "Uh, probably not. But all this is very recent. We have not had time yet to take any specific steps. Obviously, we will be looking for someone. For now, Lucy Mitchell-Innes [of the New York contemporary art department] and myself will be in charge."

Leslie Waddington, London's premier dealer in contemporary art, who has known Joffre for years, speculated, when asked about his probable reasons for leaving: "I can only suppose, but I have no knowledge of it, that it is to join Christie's. Any auction house or any dealer, for that matter, would be mad not to jump at him, given a chance."

able conclusion, Joffre's move would amount to a major shift in the relative power of the two leading auction houses in this field. Joffre knows the Continental European scene backwards.

A great-grandnephew of Marshal Joffre, he speaks a native Frenchman's French and would be an essential cog in any future strategy that either auction house might have in France. Sotheby's "probable" decision not to let him take the July 2 auction, which implies the further decision not to let him have any further business dealings on its behalf, leaves no doubt as to where the management thinks Joffre is headed. Joffre himself was out in his office on Friday, nor available for comment.

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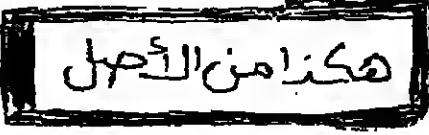
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ECONOMIC SCENE

Struggle for Supremacy In a World of Disorder

By Tom Redburn International Herald Tribune

PARIS — "To the victor belong the spoils" is a maxim of war, but in the 20th century it usually hasn't worked out that way. France's decline as a great power began after its costly, bloody victory in World War I; Britain lost its empire down the drain of World War II. So perhaps it should come as no surprise, now that the United States has "won" the Cold War, that Americans are in no mood to celebrate.

It shouldn't have been much of a surprise, but it was. That's because, explains Jeffrey E. Garten, a former White House and State Department official turned investment banker, expectations were astonishingly high in the United States that the "Evil Empire" would usher in a peaceful new era of partnership and shared prosperity.

The end of history was at hand, declared the political analyst Francis Fukuyama. President George Bush promised a new world order.

So, what happened? "The new world order will, in fact, be a world without order," Mr. Garten writes in a new book, "A Cold Peace: America, Japan, Germany, and the Struggle for Supremacy."

This is not a new idea, of course. But Mr. Garten goes much deeper in exploring the historical roots of today's economic and political conflicts than other recent analysts, such as Lester C. Thurow, author of the best-seller "Head to Head: The Coming Economic Battle Among Japan, Europe, and America."

At the heart of Mr. Garten's book is the thesis that the Cold War struggle with the Soviet Union was an historical aberration. He argues that the current challenges to the United States posed by both Germany and Japan are a return to a pattern that has been evident for at least 100 years. The new world, it seems, will be an echo of the old.

"Since the turn of the century, it has been clear that Germany and Japan are the nations that the U.S. would have to deal with, perhaps forever," said Mr. Garten in an interview with New York. "It is not a conceptual Europe, not an amorphous Asia, but these two tightly organized societies with tremendous energy and discipline that are really our rivals."

ONLY IN THE UNITED STATES, Mr. Garten says, do people talk about Germany and Japan in the same breath. For Britain and France, as well as Russia, the German question has dominated. In Asia, by contrast, China and Japan maintain an intense but uneasy relationship. For all the recent economic fears in Europe over Japan's economic prowess, Germany and other European nations are still barely visible on the geopolitical radar screen in Tokyo.

For the United States, however, Germany and Japan — despite all their differences — raise common dilemmas about American competitiveness. These challenges will shape not only America's position in the world but also the well-being of its citizens at home. But Mr. Garten argues that the only real solutions for America's global problems lie primarily in a radical transformation of its warped domestic agenda, not in the traditional policy arenas of national security, trade and dollar diplomacy.

Something clear and simple, Mr. Garten said, like the swift adoption of, say, an extra \$1-a-gallon gasoline tax, is needed to dramatize to the world and to Americans themselves that Washington is finally prepared to respond in a comprehensive way to the nation's long-festering needs.

For non-Americans, Mr. Garten's book can perhaps best be understood as a reflection of the profound shift in thinking under way within the traditional U.S. foreign policy elite. "A Cold Peace" comes with an impressive list of endorsements, ranging

See SCENE, Page 13

When the Dow Shines, Is a Storm Near?

By Floyd Norris New York Times Service

NEW YORK — The Dow Jones industrial average has been the star of the U.S. stock market firmament in 1992. And that in itself may be a bad sign.

Only twice in the last decade has the Dow's performance, on a relative basis, been so much better than the more broadly based Standard & Poor's 500.

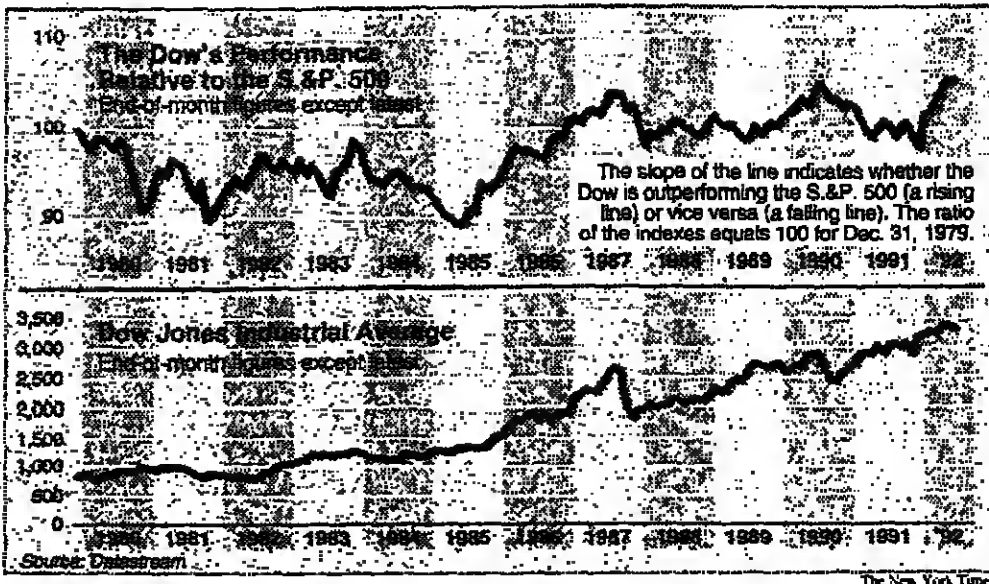
And those times, notes Byron R. Wien, chief U.S. equity strategist for Morgan Stanley Group Inc., were not great times to buy stocks.

The first time was in the early fall of 1987, shortly before the stock market crash, which drove the entire market down sharply and hurt the Dow even more than other indexes.

The Dow did not again grow as strong relative to the S&P until July 1990. That new peak was followed in August by a sustained decline in share prices brought on by the Iraqi invasion of Kuwait and the onset of a recession.

Is that any more than a coincidence? Mr. Wien argues that it may be. The recent Dow strength has reflected the fact that the Dow has a larger representation of cyclical stocks, which have been the strongest this year as investors have bet on recovery.

Mr. Wien sees that as a long-term change in leadership, and he points out that such turns rarely arrive without some market turmoil.



The Dow's performance relative to the S&P 500. The slope of the line indicates whether the Dow is outperforming the S&P 500 (a rising line) or vice versa (a falling line). The ratio of the indexes equals 100 for Dec. 31, 1979. Source: Dataquest. The New York Times

He thinks a correction, driving the market down by 10 percent or more, may be under way.

A look at the last two times the Dow showed such outperformance does not provide exact parallels to the current situation. In the run-up of 1986-87, cyclical were also the leaders within the Dow, with Goodyear Tire & Rubber Co. and Bethlehem Steel Corp. the best performers.

But Procter & Gamble Co., a steady growth stock, was among

the leaders coming into the 1990 decline, along with the more cyclical Chevron Corp. and Boeing Co.

This year, the best Dow stocks have been General Motors Corp. and Union Carbide Corp., both cyclical.

The basic composition of the two indexes may be one factor that could help explain the movements. The Dow, with only 30 stocks, is computed on a price-weighted basis. That can mean that the hottest Dow stocks, as they rise in price,

take on an added weight and help push the Dow even more.

By contrast, the S&P 500 includes 500 stocks, and is weighted by market capitalization.

But should investors really take such charts seriously? Mr. Wien quotes Sam Steadman, a market guru at Loeb Rhoades more than a generation ago, in speaking of his own charts. "These things are to raise questions," he said. "When you go hunting, you take your dog along, but you don't give him the gun."

U.K. Judge Approves BCCI Payout Deal

By Glenn Frankel Washington Post Service

LONDON — A High Court judge on Friday approved a settlement that would pay compensation of 30 percent to 40 percent over the next three years to the thousands of people who lost money in the collapse of the Bank of Credit & Commerce International.

But members of the BCCI creditors committee here, whose leaders had rejected the plan by a 7-to-1 margin, said they were disappointed in the ruling and would seek to appeal. They have until Wednesday to file.

The settlement was hammered out between liquidators and the bank's principal shareholder, Sheikh Zayed bin Sultan al Nahyan, the ruler of Abu Dhabi, which would contribute an initial \$1.5 billion.

The judge, Sir Donald Nicholls, said, "In all conscience, 30 percent is not much, but it's worth having." The plan offered the "best option" for the bank's 140,000 creditors in 70 countries, he said, while rejection of the deal would be "an enormous gamble."

Sir Donald noted that Abu Dhabi has repeatedly said it would not increase its offer and has warned that the only alternative was "protracted and hugely expensive" litigation that could last a decade.

The court held four days of hearings about the proposed deal, under which Abu Dhabi promised the huge cash injection in return for BCCI and its creditors surrendering any further claims against the emirate. Abu Dhabi itself would recoup up to 25 percent of the cash because it is a \$1.9 billion creditor.

The judge refused to give a detailed public appraisal of the various claims, saying it could interfere with the liquidators' attempts to recover funds. BCCI's total liabilities are estimated at around \$9.3 billion, while its assets are calculated at \$1.3 billion. Its losses from fraud by its former owners and managers are said to exceed \$6 billion.

The settlement also must be approved by judges in Luxembourg and the Cayman Islands before it can be put to creditors. To be valid, the offer must be accepted by creditors

whose total claims exceed \$4.75 billion, or 51 percent of the total.

Touche Ross & Co., the court-appointed liquidator, welcomed the ruling and promised to pursue the recovery of other assets. Christopher Morris, a spokesman for the accounting firm, said the settlement was "the best option available for creditors."

But Keith Vaz, a member of Parliament for the opposition Labor Party who has supported the many creditors and former bank employees among his constituents, said many felt the deal was unacceptable. "The judge's recommendation was to take the cash and run," Mr. Vaz said. "There will be much celebration in the offices of the liquidators and in Abu Dhabi, but considerable anxiety on the part of the creditors."

Tony Scott, secretary for the BCCI Depositors Protection Association, said creditors had been presented with a "fait accompli" from the liquidators. "The reality is we still don't think it's enough," he said.

Lufthansa Stock Price Hit by Air Fare War

By Glenn Frankel Washington Post Service

FRANKFURT — Deutsche Lufthansa AG's share price has fallen sharply this week on worries about the airline's high cost structure in the face of a trans-Atlantic fare war, and some analysts warned that the descent could become much steeper.

"Lufthansa's urgent problem is cost reduction and the measures they have taken so far are not by any means a sufficient cure," said Hans-Peter Wodniok, an analyst at James-Capel in Frankfurt.

"In a worst-case scenario, they could lose more than 500 million marks this year, he said."

The shares of the German carrier, which suffered its first loss in 18 years in 1991, have tumbled 30 percent since March.

On the Frankfurt stock exchange on Friday, Lufthansa shares rose for the first time after four days of steep losses, gaining 1.50 Deutsche marks to close at 127.00 DM (\$79.80). That was down from 181 DM on March 2.

For the week, Lufthansa was off 10.5 DM, or 7.6 percent. Some analysts said the share price could fall to 100 DM, or another 21 percent.

Traders and stock market analysts said Lufthansa, with its high staff costs and one of the world's most modern fleets, is especially vulnerable to the aggressive price competition.

Not only have fares been cut by up to 35 percent by U.S. carriers on the North Atlantic routes, moves that Lufthansa was forced to match, but the beleaguered airline and its competitors on Far East

routes have also recently announced reduced fares there.

Lufthansa had a group net loss of 300.9 million DM in 1991 after a 15.2 million DM profit in 1990. It lost 386 million DM in the first quarter of this year.

"In a worst-case scenario, they could lose more than 500 million marks this year," Mr. Wodniok said. "There will be little or no improvement in Lufthansa's earnings situation this year," said Jochem Hannemann, an analyst at Commerzbank AG. "The heightened price competition will exacerbate their problems. They need to become trimmer."

Mr. Hannemann said that Lufthansa's troubles had been worsened by a worldwide glut of used airplanes. Lufthansa traditionally has partially offset operating losses by selling older aircraft.

Lufthansa's fleet has risen to 275 aircraft from 151 in 1987. It purchased 56 planes in 1991, and will acquire 20 this year and 15 in 1993. The airline has said it will cut around 1,000 jobs this year from its staff of 50,826.

Air France Denies Report Air France has denied a Belgian press report quoting its chairman as saying that France's state-owned airline might take a controlling stake in Belgium's Sabena SA. Reuters reported from Paris.

According to the daily Le Soir, Chairman Bernard Attali said that Air France, which has agreed to buy 37.5 percent of Sabena, might increase its stake.

"Mr. Attali never made such statements," Air France said.

TELECOMMUNICATIONS OUTSIDE PLANT PROJECT

Prequalification Notice To Prospective Bidders

The HUNGARIAN TELECOMMUNICATIONS COMPANY LTD. is to Invite Bidders in 1992 for the installation of a local loop access network in Central Budapest.

The size of the area to be cabled is approximately 5 square kilometers. The installation is for approximately 85,000 lines, the majority of which shall be realized with copper wire cables. Major corporate users and remote switching unit(s) shall be connected to the central exchange with optical transmission lines.

The tender will call for the provision of materials including cable, installation of a new duct and cable network, and cut-over work associated with a new exchange installed by another Contractor.

The project will partly be financed by the EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT. The tender is expected to be issued in late July, 1992, under the guidelines of EBFD.

Individual companies and consortia who have the capability to complete this major project and who wish to be considered for prequalification are invited to submit a capability statement containing:

- company profile including type and size of the company, and financial statements for the last 2 (two) years.
• details of similar telecommunications projects completed in the last 10 (ten) years,
• current contracts being executed, by value and completion date, to the following address:

HUNGARIAN TELECOMMUNICATIONS COMPANY LTD.

Mr. A. Kovács
Tender Bureau
Budapest
Krisztina krt. 55.
Hungary
H-1541
Tel.: + 361-155-5198
Fax: + 361-155-0446

by 10th July, 1992.

Companies and consortia seeking further information should contact HTC at the above address.

Qualified Bidders will be invited to prepare their bids in accordance with the tender documents.

CURRENCY RATES

Table with columns for Currency, Par \$, and various rates for major currencies like British Pound, French Franc, etc.

Other Dollar Values

Table with columns for Currency, Par \$, and values for currencies like Australian Dollar, Canadian Dollar, etc.

Forward Rates

Table with columns for Currency, 30-day, 60-day, 90-day, and 1-year forward rates.

INTEREST RATES

Table with columns for Eurocurrency Deposits, Key Money Rates, and U.S. Money Market Funds, showing various interest rates and yields.

Chip Imports Still Lag, U.S. Warns Japan

WASHINGTON — The United States on Friday cited new figures showing virtually no progress in opening Japan's semiconductor market to foreigners, and warned that it expected more. The U.S. trade representative, Carla A. Hills, said the foreign share of the Japanese market grew just 0.2 percentage point to 14.6 percent in the first quarter of 1992. Last week, U.S. and Japanese officials endorsed a plan for Japan's 10 biggest electronics companies to circulate detailed lists of anticipated semiconductor purchases to foreign suppliers. "I hope that this joint industry initiative will produce the results that are needed," Mrs. Hills said. A U.S.-Japan trade accord sets a December 1992 deadline for achieving a 20 percent market share for foreign chips in Japan. Mrs. Hills's office initiated a review of that accord last month, and a report on the findings is expected by Aug. 1. The European Community is concerned that the agreement endorsed last week will benefit only U.S. manufacturers, and it has sent officials to Tokyo to discuss the issue. The Community has asked for a 5 percent share of Japan's market, EC officials said Friday in Tokyo. (Reuters, AFP, Bloomberg)

MARKET DIARY
Dollar Ends Mixed
On Short-Covering

NEW YORK — The dollar ended mixed on Friday after short-covering pulled the currency up from its lows.

Trading was anxious early in the session amid expectations of a huge options-linked sell-off of the dollar. But the threat proved to be more bark than bite, and little follow-through selling occurred.

The Labor Department reported Friday that U.S. consumer prices rose 0.1 percent in May, the smallest monthly increase since January.

The dollar ended at 157.70 Deutsche marks, up slightly from 157.60 DM on Thursday, and at 126.70 Japanese yen, up from 126.40.

On Thursday, the dollar had been knocked down to four-month lows by a bout of weak U.S. economic data, including a 0.2 percent gain in May retail sales.

Friday's data reinforced a sense among market participants that the U.S. recovery is hobbling at best.

"The question in the first quarter was if the economy beginning to recover?" said a trader at a major U.S. bank. "Now the question has changed to, 'Is it good, strong recovery?'"

He said the dollar appears to be in a downturn. "Between now and the end of summer, there is a gray cloud moving over the marketplace," he said. That cloud is caused by uncertainty over the Maastricht treaty on European union and over the U.S. presidential election campaign.

Against other European currencies, the dollar eased to 1.4270 Swiss francs from 1.4300 francs, but rose to 5.3095 French francs from 5.3080 francs.

The pound rose slightly, to \$1.8515 from \$1.8505.

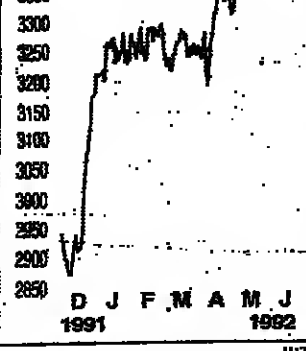
The mark is maintaining a firm undertone ahead of the Irish referendum on June 18 on the Maastricht treaty, traders said.

German officials this week have ruled out any scope for lowering German interest rates, giving the mark a boost.

Earlier in London, the dollar was at 1.5755 DM, down from 1.5793 DM Thursday, and 126.68 yen, up from 126.40.

The Dow

Daily closings of the Dow Jones industrial average



D J F M A M J 1991 1992

NYSE Most Active

Table listing NYSE most active stocks with columns for Vol., High, Low, Last, and Chg.

AMEX Most Active

Table listing AMEX most active stocks with columns for Vol., High, Low, Last, and Chg.

NYSE Diary

Table listing NYSE diary items with columns for Adv., Unch., and Total issues.

Amex Diary

Table listing Amex diary items with columns for Adv., Unch., and Total issues.

NASDAQ Diary

Table listing NASDAQ diary items with columns for Adv., Unch., and Total issues.

Dow Jones Averages

Table showing Dow Jones Averages with columns for Open, High, Low, Last, and Chg.

Standard & Poor's Indices

Table showing Standard & Poor's Indices with columns for High, Low, Close, and Chg.

NYSE Indices

Table showing NYSE Indices with columns for High, Low, Close, and Chg.

NASDAQ Indices

Table showing NASDAQ Indices with columns for High, Low, Close, and Chg.

AMEX Stock Index

Table showing AMEX Stock Index with columns for High, Low, Close, and Chg.

Dow Jones Bond Averages

Table showing Dow Jones Bond Averages with columns for High, Low, Close, and Chg.

Market Sales

Table showing Market Sales with columns for NYSE, Amex, and NASDAQ.

N.Y.S.E. Odd-Lot Trading

Table showing N.Y.S.E. Odd-Lot Trading with columns for Buy, Sell, and Short.

S&P 100 Index Options

Table showing S&P 100 Index Options with columns for Strike, Call, Put, and Last.

EUROPEAN FUTURES

Table showing European Futures with columns for Close, High, Low, Prev., and Chg.

Food

Table showing Food futures with columns for High, Low, Close, and Chg.

Industrials

Table showing Industrial futures with columns for High, Low, Close, and Chg.

Stock Indexes

Table showing Stock Indexes with columns for High, Low, Close, and Chg.

Spot Commodities

Table showing Spot Commodities with columns for Today, Prev., and Chg.

Dividends

Table showing Dividends with columns for Company, Dividend, and Pay Date.

Financial

Table showing Financial futures with columns for High, Low, Close, and Chg.

U.S. FUTURES

Table showing U.S. Futures with columns for Season, Low, Open, High, Low, Close, and Chg.

Grains

Table showing Grain futures with columns for High, Low, Close, and Chg.

Metals

Table showing Metal futures with columns for High, Low, Close, and Chg.

Livestock

Table showing Livestock futures with columns for High, Low, Close, and Chg.

Financial

Table showing Financial futures with columns for High, Low, Close, and Chg.

Food

Table showing Food futures with columns for High, Low, Close, and Chg.

U.S. TREASURY (CMT)

Table showing U.S. Treasury (CMT) with columns for High, Low, Close, and Chg.

U.S. TREASURY (CBT)

Table showing U.S. Treasury (CBT) with columns for High, Low, Close, and Chg.

U.S. TREASURY (T-BILL)

Table showing U.S. Treasury (T-BILL) with columns for High, Low, Close, and Chg.

U.S. TREASURY (T-BOND)

Table showing U.S. Treasury (T-BOND) with columns for High, Low, Close, and Chg.

U.S. TREASURY (T-NOTE)

Table showing U.S. Treasury (T-NOTE) with columns for High, Low, Close, and Chg.

U.S. / AT THE CLOSE

Argentina Can Be Sued Over Bonds

WASHINGTON (AP) — The Supreme Court ruled Friday that Argentina's government may be sued in federal court in New York City for defaulting on bonds it issued to help stabilize its economy in the 1980s.

The court said the Foreign Sovereign Immunity Act forces Argentina to defend itself against such a breach-of-contract lawsuit. The Bush administration, which had urged the justices to rule against Argentina, said the case carried great significance for the international public debt market.

In the early 1980s, the government moved to satisfy claims against private Argentine debtors by issuing bonds known as Bonods that pay principal and interest in dollars.

About \$1.5 billion worth of the bonds were sold, but Argentina defaulted on its obligations and told its central bank to extend the maturity date when the bonds had to be paid off. Two Panamanian corporations and a Swiss bank refused to accept the rescheduling.

Baxter to Spin Off Care Businesses

DEERFIELD, Ill. (AP) — Baxter International decided Friday to spin off to stockholders its businesses providing health care and products to places other than hospitals.

The new company, to be called Caremark, will provide products and services for home health care, infusion therapy, AIDS care, women's health care, physical therapy and prescription drugs. Sales in those businesses exceeded \$1 billion in 1991 and have risen more than 20 percent a year for the past four years, the company said.

Baxter noted that there had been "increasing conflicts and tradeoffs" between these businesses and the company's core hospital customers.

PacTel Weighs Sale of Cable Units

WALNUT CREEK, California (Reuters) — PacTel Corp., a unit of Pacific Telesis Group, said Friday that it was considering forming a joint venture or selling outright its eight cable television franchises in Britain.

PacTel said it wanted to concentrate on winning more valuable cellular and paging licenses abroad. It is pursuing cellular licenses in Japan, Greece, the Netherlands, Hong Kong, Italy, Spain and South Korea.

The company already is involved in wireless communications in the United States, Japan, Germany, France, Portugal and Thailand.

N.Y. Broadcaster Is UPF's New Hope

NEW YORK (Combined Dispatches) — A businessman and broadcaster said Friday he had made a deal to keep United Press-International afloat for 10 days while he decides whether to bid for the news service.

The potential buyer is Leon H. Charney, who served as an adviser to President Jimmy Carter at the Camp David peace talks, has extensive political connections in the Middle East and moderates a current-affairs program on a public television station operated by New York City.

Mr. Charney said that, leading a group including two Swiss businessmen and three New York businessmen, was paying \$180,000 to keep UP-International running through June 22 and that he would use the time to analyze the news service's assets and decide whether to make an offer.

Mr. Charney's last-minute entry came a day after the television evangelist Pat Robertson withdrew his \$6 million offer, leaving the news service with only enough money to meet the payroll on Friday.

For the Record

United Airlines offered to pay Trans World Airlines \$259 million for 40 takeoff-and-landing slots at Chicago's O'Hare airport and a hangar at Los Angeles International airport.

Ross Cosmetics Distribution Centers Inc.'s shares plummeted \$9.50 to \$5 after it said the Securities and Exchange Commission was investigating its ownership and accounting practices.

Union Carbide Corp.'s board approved the distribution to its shareholders of all the stock of Praxair Inc., the new name of its industrial gases business.

Chemical Banking Corp., reaping rewards from its merger with Manufacturers Hanover Corp., had its bond rating raised to Baa1 from Baa2 by Moody's Investors Service.

PRICES: Inflation in Check

(Continued from page 1)

National Association of Manufacturers. But the question was whether the appearance of inflation in check would move the Fed to ease again.

"This is good news for the economy because a decline in inflation increases purchasing power," said Pierre Ellis of Boston U.S. Economic Advisers Inc. "But that means the money already supplied by the Fed goes further because it has not been eaten up by inflation, and that may make some governments less likely to loosen policy."

Bruce Steinberg of Merrill Lynch Government Securities said the figures meant that "if the Fed wants to ease, this permits it." Edward Yardeni of C.J. Lawrence & Co. was more outspoken about the need for lower rates, saying the central bank's "number one concern should now be keeping the recovery on track."

In a further sign that the recovery is coming along slowly, the Commerce Department reported Friday that business sales had slipped 0.2 percent in April while inventories edged up 0.1 percent.

The seven-member Federal Reserve Board is known to be divided on how active its policy should remain after more than a year of short-term interest rate cuts, which have not seriously reduced long-term rates to assist long-term business and mortgage borrowers.

The inflation fears of long-term lenders have been aroused by governmental gridlock in dealing with the stubborn budget deficit, and Mrs. Phillips, one of the Fed governors, pointed Friday to yet another uncertainty in the political equation that is helping to underpin long-term rates — Mr. Perot.

Mrs. Phillips, a recent Bush administration appointee, told a questioner after addressing Atlanta Reserve Bank directors that the putative independent candidate for president "certainly hasn't told us his views on monetary policy."

Although Mr. Perot was not the only imponderable in the risk premium being demanded by bond buyers, she said, he "certainly throws a great deal of uncertainty into the election. Some could even say it's holding up long-term interest rates."

Those rates as measured by the yield on the 30-year Treasury bond stood at 7.86 percent on Friday.

JAPAN: Survey Shows Economy Needs Stiff Medicine

(Continued from page 1)

of corporate sentiment, the diffusion index, fell to minus 24 in May for major manufacturers from minus 5 in February — the lowest level since the trough of Japan's last recession in May 1987. Companies expected the index to improve only slightly to minus 20 when the next survey is released in September.

The index is based on a poll of 7,448 companies; although qualitative in nature, it is considered to be one of the best indicators of the Japanese economy.

Particularly troubling was data showing that Japanese companies' excess inventories, a major drag on the economy, will continue to pile up until August. Even with the big production cutbacks already made by manufacturers, it could take months before warehouses become less congested. "I'll be surprised if we have a complete inventory cycle ending before early next year," said Robert Alan Feldman, economist at Salomon Brothers (Asia) Ltd.

The quarterly economy survey showed major companies planning to cut plant and equipment spending, an engine of economic growth, by 2.1 percent in the fiscal year to March 31, 1993. The figure compares with a 7.7 percent rise the year before, but was not as weak as had been predicted in the previous survey in February.

WORLD STOCK MARKETS

Agency France Press June 12

Table showing World Stock Markets with columns for Market, Close, Prev., and Chg.

Amsterdam

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Hong Kong

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Manila

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Profit Warning Hits Fisons' Stock And Spurs Takeover Speculation

Compiled by Our Staff From Dispatches

LONDON — Fisons PLC, the embattled British pharmaceutical company, on Friday warned of sharply lower profit, sending the stock price plunging 29 percent and prompting renewed takeover speculation.

Analysts said the company, which has suffered a series of reverses in the past year, had now thoroughly alienated brokers and institutional investors.

Fisons' chairman, Patrick Egan, said pretax profit of £52.2 million (\$175.7 million) posted in the first half of 1991. He attributed the profit downturn to the forced removal of two of Fisons' products from the U.S. market and the recession's effect on demand for its scientific instruments.

"It's hugely disappointing," said Nigel Barnes, an analyst at Hoare Govett. "There are a lot of disillusioned investors out there."

Investors voted with their feet, driving the stock down 102 pence on the day to 244 pence.

Analysts' profit forecasts for the full year have now been savagely pruned to £135 million to £150 million from earlier expectations of over £210 million. Fisons recorded a pretax profit of £190.5 million in 1991, down from £230.2 million in 1990.

Mr. Egan said Fisons was confident its corrective steps would spark recovery in the second half.

But Franc Gregori, analyst at Robert Fleming,

echoed the feelings of others when he said: "The credibility of Fisons management has all but evaporated. The company's days as an independent firm are numbered."

"It is difficult to see how management can defend itself against a takeover," he added.

Some analysts cited other pharmaceutical companies and corporate raiders such as Hanson PLC as potential predators looking to make a killing on good break-up valuations at Fisons.

Paul Diggle, an analyst at Societe Generale Strauss Turnbull, said Imperial Chemical Industries PLC was the most likely potential bidder. ICI had no comment.

Mr. Diggle said ICI could get Fisons for around £2.3 billion, or 325 pence a share.

Fisons' problems began last year when the U.S. Food and Drug Administration forced its Opticrom eye drops and Imferon blood drug off the market because of concerns about manufacturing standards.

The FDA also criticized production of Fisons' asthma drug Tilade, the company's major hope for the future. Fisons has said U.S. approval of Tilade has been "imminent" for up to 18 months.

Part of the dismay felt by investors after Friday's warning came from Mr. Egan's statement that the time and energy spent on quality control for Opticrom has slowed down sales of Tilade and the top-selling asthma drug Intal.

(Reuters, AFP, Bloomberg)

Worker Protest Halts Meeting Of Telefonica

Compiled by Our Staff From Dispatches

MADRID — Telefonica de España SA was forced on Friday to suspend its annual meeting after employees shouted down Chairman Cándido Velázquez-Gaztelu Ruiz and unions staged protests against company plans for new pension-fund arrangements.

Talks have broken down over benefits to be paid to employees under a plan to transfer the company pension fund to the state social security system.

Mr. Velázquez-Gaztelu could not begin his speech and left the podium with the rest of the board half an hour after the meeting began. Only the annual accounts were approved.

Net profit rose to 80.8 billion pesetas (\$808 million) in 1991 from 75.8 billion pesetas in 1990. (Reuters, Bloomberg)

GATT Talks to Resume Despite Farm Impasse

Compiled by Our Staff From Dispatches

GENEVA — Trade officials will resume negotiations in Geneva under the struggling Uruguay Round of trade talks next week despite the failure to resolve the key issue of farm support, a GATT spokesman said Friday.

The spokesman, David Woods, said negotiations would be held on opening up Europe's services markets to foreign competition and on lowering import tariffs among major players.

In April, diplomats set aside these technical but commercially important negotiations under the General Agreement on Tariffs and Trade, frustrated that no was making any concessions while waiting for agreement on curbing farm subsidies and farm import barriers.

Separately, Ray MacSharry, the European Community's farm commissioner, questioned whether the U.S. was committed to finding a successful conclusion to the Uruguay Round of world trade talks.

In a speech on Friday to the European Parliament in Strasbourg, Mr. MacSharry said he regretted that the United States had decided to consider imposing tariffs on EC exports to retaliate against subsidies to oil-seed producers.

"The Commission remains committed to a successful conclusion of the round," Mr. MacSharry said. "This week's developments will cause many to ask whether others share the same objective."

In Paris, President François Mitterrand promised that France would implement the reform of the Common Agricultural Policy, or CAP, so as to correct its negative impact on small farmers, the head of a small farm union said.

"The president promised that there will be a better distribution of aid to all the farmers; that measures will be taken to make up, as necessary, for the negative impacts of the reform," Guy Le Fur, leader of the Confédération Paysanne, said. (Reuters, Bloomberg)

Investor's Europe

Exchange	Index	Friday Close	Prev. Close	% Change
Frankfurt DAX	1850	1782.27	1781.81	+0.03
London FTSE 100 Index	2700	710.20	710.99	-0.11
Paris CAC 40	2100	781.64	785.58	-0.50
Amsterdam CBS Trend	129.50	129.50	129.30	+0.15
Brussels Stock Index	5,995.56	5,916.27		-0.95
Frankfurt DAX	1,782.27	1,781.81		+0.03
Frankfurt FAZ	710.20	710.99		-0.11
Helsinki HEX	781.64	785.58		-0.50
London Financial Times 30	2,025.30	2,039.50		-0.70
London FTSE 100	2,603.70	2,614.10		-0.40
Madrid General Index	247.80	248.90		-0.44
Milan MIB	937.00	948.00		-0.95
Paris CAC 40	1,928.29	1,928.84		-0.03
Stockholm Affarsvarlden	1,074.13	1,067.15		-1.20
Vienna Stock Index	447.72	449.23		-0.34
Zurich SBS	659.40	655.90		+0.53

Sources: Reuters, AFP
Continued on Page 14

NYSE Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press (Continued)

High	Low	Stock	Div	Yield	PE	52 Week High	52 Week Low	Low P/B	Open
100.00	98.00	IBM	3.00	3.00	13.33	100.00	80.00	1.50	98.00
120.00	118.00	Microsoft	0.00	0.00	15.00	120.00	60.00	2.00	118.00
150.00	148.00	Apple	0.00	0.00	15.00	150.00	75.00	2.00	148.00
180.00	178.00	Oracle	0.00	0.00	15.00	180.00	90.00	2.00	178.00
200.00	198.00	Sun	0.00	0.00	15.00	200.00	100.00	2.00	198.00
250.00	248.00	Lucent	0.00	0.00	15.00	250.00	125.00	2.00	248.00
300.00	298.00	Motorola	0.00	0.00	15.00	300.00	150.00	2.00	298.00
350.00	348.00	Rockwell	0.00	0.00	15.00	350.00	175.00	2.00	348.00
400.00	398.00	Raytheon	0.00	0.00	15.00	400.00	200.00	2.00	398.00
450.00	448.00	Boeing	0.00	0.00	15.00	450.00	225.00	2.00	448.00
500.00	498.00	Lockheed	0.00	0.00	15.00	500.00	250.00	2.00	498.00
550.00	548.00	Northrop	0.00	0.00	15.00	550.00	275.00	2.00	548.00
600.00	598.00	General Dynamics	0.00	0.00	15.00	600.00	300.00	2.00	598.00
650.00	648.00	Grumman	0.00	0.00	15.00	650.00	325.00	2.00	648.00
700.00	698.00	Westinghouse	0.00	0.00	15.00	700.00	350.00	2.00	698.00
750.00	748.00	3M	0.00	0.00	15.00	750.00	375.00	2.00	748.00
800.00	798.00	Eastman Kodak	0.00	0.00	15.00	800.00	400.00	2.00	798.00
850.00	848.00	Johnson & Johnson	0.00	0.00	15.00	850.00	425.00	2.00	848.00
900.00	898.00	Pfizer	0.00	0.00	15.00	900.00	450.00	2.00	898.00
950.00	948.00	Merck	0.00	0.00	15.00	950.00	475.00	2.00	948.00
1000.00	998.00	Amgen	0.00	0.00	15.00	1000.00	500.00	2.00	998.00
1050.00	1048.00	Genentech	0.00	0.00	15.00	1050.00	525.00	2.00	1048.00
1100.00	1098.00	Amgen	0.00	0.00	15.00	1100.00	550.00	2.00	1098.00
1150.00	1148.00	Amgen	0.00	0.00	15.00	1150.00	575.00	2.00	1148.00
1200.00	1198.00	Amgen	0.00	0.00	15.00	1200.00	600.00	2.00	1198.00
1250.00	1248.00	Amgen	0.00	0.00	15.00	1250.00	625.00	2.00	1248.00
1300.00	1298.00	Amgen	0.00	0.00	15.00	1300.00	650.00	2.00	1298.00
1350.00	1348.00	Amgen	0.00	0.00	15.00	1350.00	675.00	2.00	1348.00
1400.00	1398.00	Amgen	0.00	0.00	15.00	1400.00	700.00	2.00	1398.00
1450.00	1448.00	Amgen	0.00	0.00	15.00	1450.00	725.00	2.00	1448.00
1500.00	1498.00	Amgen	0.00	0.00	15.00	1500.00	750.00	2.00	1498.00
1550.00	1548.00	Amgen	0.00	0.00	15.00	1550.00	775.00	2.00	1548.00
1600.00	1598.00	Amgen	0.00	0.00	15.00	1600.00	800.00	2.00	1598.00
1650.00	1648.00	Amgen	0.00	0.00	15.00	1650.00	825.00	2.00	1648.00
1700.00	1698.00	Amgen	0.00	0.00	15.00	1700.00	850.00	2.00	1698.00
1750.00	1748.00	Amgen	0.00	0.00	15.00	1750.00	875.00	2.00	1748.00
1800.00	1798.00	Amgen	0.00	0.00	15.00	1800.00	900.00	2.00	1798.00
1850.00	1848.00	Amgen	0.00	0.00	15.00	1850.00	925.00	2.00	1848.00
1900.00	1898.00	Amgen	0.00	0.00	15.00	1900.00	950.00	2.00	1898.00
1950.00	1948.00	Amgen	0.00	0.00	15.00	1950.00	975.00	2.00	1948.00
2000.00	1998.00	Amgen	0.00	0.00	15.00	2000.00	1000.00	2.00	1998.00

U.K. Bank Seeks Redress in India

Compiled by Our Staff From Dispatches

LONDON — Standard Chartered Bank said Friday it had initiated criminal proceedings in India to recover £162 million (\$299 million) in transactions linked to India's \$1.1 billion stock market scandal.

Standard Chartered said £65 million related to bank receipts issued by Bank of Karad, which is being liquidated by the Reserve Bank of India. Bank receipts are the interbank instrument that was used to illegally siphon off government securities into the stock market.

Standard Chartered said last month it was making a £50 million provision for potential losses from the fraud. "That is the proportion that is probably not recoverable," a bank spokesman said. (AP, Reuters)

SCENE: Looking at America First

(Continued from first finance page)

from the former Secretary of State Cyrus R. Vance and former Federal Reserve Board chairman Paul Volcker to Winston Lord, former ambassador to China, and the Harvard professor Robert B. Reich, a key advisor to Bill Clinton, Democratic presidential candidate.

What is happening is that the Wall Street-Washington nexus is clearly shifting its worries from crises abroad to the threat of social collapse at home. Indeed, even before the riots in Los Angeles, the Council on Foreign Relations crowd was coming home.

"Domestic problems may have a greater direct impact on the United States as a free society than threats from abroad," stated Peter G. Peterson, the council's chairman and, not incidentally, the leading partner in Mr. Garten's investment banking firm, The Blackstone Group.

Although the American establish-

Very briefly:

- Porsche AG's stock jumped 41 Deutsche marks, or 7.2 percent, to 609 DM (\$382.75) on speculation that a German investor was building a stake; Porsche shares have risen 100 DM since June 3, when the automaker announced cost-cutting plans including job losses.
- Fokker NV and Deutsche Aerospace may give details of their long-awaited joint venture Monday, the day of the Berlin air show, a Fokker spokeswoman said.
- The EC Commission opened an anti-dumping investigation on compact disk players made in Taiwan, Singapore and Malaysia by subsidiaries of several Japanese companies after a complaint by Bang & Olufsen A/S, Grundig AG and Philips Electronics NV.
- The London Futures and Options Exchange incurred exceptional costs of nearly £1 million (\$1.85 million) as a result of last year's scandal in which the exchange granted incentives to traders dealing in FOX's screen-traded property, rice and metal index futures contracts.
- Club Méditerranée SA priced its convertible bond issue at 530 French francs per bond, to raise 1,001 billion francs (\$186.6 million) to renovate holiday villages, create new centers and improve its financial structure.
- Eteme Aigier AG, the German clothing manufacturer, raised its 1991 dividend to 12.50 DM a share from 7.50 DM in 1990 and will pay an additional bonus of 5 DM a share. (Reuters, AFP, Bloomberg)

Adidas Chief Reportedly Forced Out

Compiled by Our Staff From Dispatches

BONN — René Jaeggi, management board chairman of Adidas AG, will leave the sporting goods maker by the end of June, forced out by Bernard Tapie's representative, Die Welt said Friday.

In a report released ahead of publication, the newspaper quoted Mr. Jaeggi as saying: "I will take my hat and go by the next general meeting on June 30."

It reported that Mr. Jaeggi said he had been asked to leave by Gilberte Beaux, who represents the controlling interests of Mr. Tapie, the French entrepreneur. Mrs. Beaux sits on the supervisory board of Adidas.

Mr. Jaeggi, a 44-year-old Swiss marketing expert, has been chairman since October 1987. His contract expires at the end of the year. (Reuters, AFP)

TELECOMMUNICATIONS RURAL DEVELOPMENT PROJECTS

Prequalification Notice To Prospective Bidders

The HUNGARIAN TELECOMMUNICATIONS COMPANY LTD. is to invite Bidders in 1992 for the turn-key realization of two associated projects in the frame of HTC's Rural Development Program, partly financed by the EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT.

Accordingly, two independent tenders are expected to be issued in late July, 1992, under the guidelines of EBRD. The tenders will cover 11 rural districts (primary areas) of Eastern Hungary, managed by 4 regional Directorates of HTC. Sub-projects, covering one region each, will be awarded independently, therefore Bidders will be allowed to submit their bids for either region.

The work is to commence early 1993 with completion of all regions by early 1995.

Rural Microwave Systems Projects:

This project will cover the design, supply, delivery, installation and commissioning of

- 7 point-to-multipoint subscriber radio systems, operating in the 1.5 GHz band, located in 2 regions (managed by the Miskolc Directorate and Debrecen Directorate), and
- 18 point-to-point multichannel radio links, operating in the 15 GHz band with 2, 8 and 34 Mbps transmission speeds, respectively, located in 3 regions (managed by the Budapest Regional Directorate, Miskolc Directorate and Debrecen Directorate),

including the microwave and multiplex equipment together with the associated antennas, antenna towers, containers, power supply units, etc.

Rural Cable Networks and Transmission Systems Project:

This project will cover the design, supply, delivery, installation and commissioning of optical ground and aerial cables (with 6 fibres, as an average) as well as 2 to 34 Mbps transmission systems. The associated outdoor plants shall be constructed in an overall route length of 450 km. Along the optical routes local copper wire cables (with 15 to 100 quads) shall also be laid within the settlements in an overall length of 200 km.

34 optical transmission systems shall be established together with the required multiplex configurations.

The project will involve 11 districts of 4 regions (managed by the Budapest Regional Directorate, Miskolc Directorate, Debrecen Directorate and Szeged Directorate).

Individual companies and consortia who have the capability to complete any of these major projects and who wish to be considered for prequalification are invited to submit a capability statement containing:

- company profile including type and size of the company, and financial statements for the last 2 (two) years.
- details of similar telecommunications projects completed in the last 10 (ten) years,
- current contracts being executed, by value and completion date, to the following address:

HUNGARIAN TELECOMMUNICATIONS COMPANY LTD.
Mr. A. Kovács
Tender Bureau
Budapest
Krisztina krt. 55.
Hungary
H-1541

Tel.: + 361-155-5198
Fax: + 361-155-0446

by 10th July, 1992.

Companies and consortia seeking further information should contact HTC at the above address.

Qualified Bidders will be invited to prepare their bids in accordance with the tender documents.

Disney Sails Into Japan's Toy Market

TOKYO — The opening of the first Toys 'R Us store in Japan last year marked the end of a bitter battle with local retailers and distributors that escalated into a noisy U.S.-Japan trade dispute. But on Friday, when a Walt Disney Co. subsidiary announced plans for a chain of up to 100 stores in Japan, not a peep was heard.

Disney's apparently smooth entry into the Japanese market reflects differences in tactics, products and retailing strategies. But it also underscores a gradual change in Japanese attitudes toward foreign competitors that Disney partly has Toys 'R Us to thank for.

"Obviously there is that slow but sure acceptance by the consumer and retailer of foreign companies," said Shigetoku Hattori, a retail analyst at Yamachi Research Institute.

Toys 'R Us, the world's largest toy retailer, had to fight its way into Japan in the face of strong resistance from a powerful lobby of small Japanese retailers and distributors.

The U.S. toy giant planned to make an end run around Japan's Byzantine system of small retailers and distributors by opening a giant, U.S.-style store with discount prices. Japanese retailers and distributors said they could not compete and tried to use a law

restricting large-scale retail stores to keep Toys 'R Us out of Japan.

The law was relaxed last year after the United States took up the issue in trade negotiations with Japan.

By contrast, Disney's decision to start selling its products directly in Japan, in a market estimated at more than 1.3 trillion yen (\$10.2 billion), has not stirred a ripple of public protest.

'We are not selling products. We are selling the Disney dream.'

Takao Nishimura, Disney Store merchandising director.

At a press conference on Friday, the Disney Store, Disney's wholly owned subsidiary, said it planned to open 100 stores over the next five to 10 years, with sales expected to exceed \$200 million. The Disney Store will open a pilot outlet in Yokohama at the end of August and a second store in Tokyo's trendy Shibuya district in November.

One reason things have gone so smoothly is that Disney is selling its own "character" products, the majority of them already sold in Japan. Disney sells 250 billion yen a year in character goods through its 100 licensee companies and Tokyo Disneyland, according to a Disney Store official.

Because Disney's stores will be smaller than those run by Toys 'R Us and its goods will not be discounted, local merchants likely will not feel the pinch as much. Companies that make toys and goods based on Japanese characters could lose some business as Disney expands, but the impact is expected to be gradual.

More important perhaps is Japan's gradual acceptance of foreign companies in its own backyard. In a country where precedent counts for a lot, the battle fought by Toys 'R Us has helped to smooth the way by removing legal and bureaucratic barriers.

At the same time, public acceptance of foreign retailers is growing, and Japanese companies are starting to realize that the foreigners cannot be kept out forever.

Disney has its own explanation. Takao Nishimura, merchandising director for the Disney Store, said Disney did not have any problems getting into Japan because the company is selling something nobody else has.

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Nintendo's Latest Game Bears a Big Price Tag

By Richard Sandomir

Maybe they're right and maybe they're wrong, but the Japanese-led investors who have just arranged to buy the Seattle Mariners baseball team certainly paid a lot for a franchise with mediocre results on the field and on the bottom line.

In 1981, George Argyros bought the team for \$132 million. In 1987, an appraiser valued it at \$38.6 million. In 1989, Mr. Argyros sold the team to a group led by Jeff Smulyan for \$76 million. Now, a group led by Nintendo Co. of Japan, the video-game maker, is buying it for \$106 million.

That means that the team has increased 703 percent in value over the decade, and 39 percent between the Smulyan and Nintendo purchases. What's staggering about the latest price is that the team is in its 16th year of unexceptional performance, earns meager TV money and enjoys underwhelming fan support.

The deal — which is worth a total of \$125 million including the purchase price plus a pledge to invest \$19 million in operations — is the biggest ever in baseball. The Montreal Expos were sold last year for \$85 million. In

1989, the Texas Rangers were sold for \$80 million to a group led by George W. Bush, the president's son.

A higher ceiling for team values might well have been established with the \$95 million fee paid by the Florida Marlins and Colorado Rockies for entry into the National League next year. But both expansion teams will enter baseball with more TV revenues and season-ticket holders than Seattle has ever had.

In getting his booty, Mr. Smulyan was fabulously fortunate. In his lease with King County, which owns the Kingdome stadium where the Mariners play, Mr. Smulyan negotiated the option of selling the team for the greater of market value or invested capital. If no local buyer wanted to pay the higher number, he was free to uproot the team.

What Jack M. Smulyan and the investment banking firm of Morgan Stanley had paid \$76 million and poured in \$30 million more to prop the team up, making a total investment of \$106 million. The Nintendo group was willing to pay that sum plus the additional money for operations.

"Market value is \$79 million," said Steve Taub, senior editor of Financial World maga-

zine. "That price doesn't account for what a buyer is willing to pay, just what it's empirically worth. The Japanese have a history of overpaying for U.S. assets at the top of the market."

Although the video-game giant will not have an active interest in running the Mariners, Nintendo obviously sees a Pacific marketing connection with Seattle that can create added value for the folks at the home office in Kyoto.

"Maybe they have a plan to play a few games in Japan," Mr. Taub said.

When Mr. Smulyan bought the Mariners, he was asked if he had overpaid. "People say it's the Greater Fool Theory, but we looked at the revenues and we had an idea of what we'd have to pay," he added. "I don't know if the price was as much science as it was instinct." In other words, he really wanted it.

Asked now if he thought the Greater Fool Theory had walked back in, he said, with a laugh, "No comment."

The Nintendo president, Hiroshi Yamamoto, and John Ellis, the team's chief executive, will have a hard time making their investment pay off. Player salaries are soaring. National TV money will fall after 1993.

Reliance Gets Approval For Dubai Oil Refinery

Compiled by Our Staff From Dispatches

NEW DELHI — The Indian government has approved Reliance Industries Ltd.'s proposal for a \$1.17 billion oil refinery in Jebel Ali, Dubai, company officials said Friday.

Reliance, a private company that recently received government approval for a joint venture refinery in India with C. Itoh & Co. of Japan, had proposed the Dubai project in 1989, but the deal had been in limbo because of the Gulf crisis.

Industry sources said C. Itoh would likely be a partner in the Dubai project as well. Officials would not comment.

The Dubai project's output, projected at 6 million metric tons a year, will be dedicated for use by Reliance's petrochemical plants in India. The refinery's products range from liquefied petroleum gas, gasoline, high-speed diesel oil, fuel oil and bi-jet, are all in short supply in India.

Officials gave no details on the financing for the project. In the Indian project, Reliance

and C. Itoh are collaborating on setting up a 9 million ton refinery in Gujarat, a state on the nation's western coast. (Bloomberg, AFP)

ABB to Raise India Stake

Officials of Asea Brown Boveri Ltd. said it has received clearance from the Indian government to raise its stake in its Indian subsidiary, ABB (India) Ltd., to 51 percent from 36.8 percent by acquiring new equity at "less than the market price," Bloomberg Business News reported from New Delhi.

K.N. Shenoy, ABB India's managing director, said this was the first time the government had relaxed its condition that multinational companies pay the market price to acquire new shares to increase their holdings in their Indian subsidiaries.

Industry sources said the move would pave the way for other deals. In an order issued last month, the Controller of Capital Issues permitted ABB to offer new equity provided that shareholders approved the proposal and the company got clearance from the Reserve Bank of India.

Malaysia Air Seeks Fare Hike

Agency France-Press

KUALA LUMPUR — Malaysian Airline System Bhd. will lose 241 million ringgit (\$95.7 million) on domestic operations in the current financial year if it is not allowed to increase local fares, the transport minister was quoted on Friday as saying.

The minister, Ling Liong Sik, was quoted in newspapers as saying the national airline would have to raise fares by 30 to 35 percent to break even in its domestic operations. Domestic fares were last raised in 1982. Last week Mr. Ling said the government had agreed in principle to raise fares.

He described as an "understatement" a recent estimate of 180 million ringgit in the airline's loss in domestic operations in the year ended last March 31. "It may lose 241 million for the year to March 31, 1993, if the hike is not approved," Mr. Ling said.

Taiwan Warns Japan Over Deficit

Reuters

TAIPEI — Taiwan's trade deficit with Japan is likely to balloon to a record \$11 billion this year, threatening to damage trade and investment ties, the economics minister said Friday.

"The relentless increase in the deficit, and the failure of efforts to control it, is severely hindering the development of business ties," the minister, Vincent Siew, said at a meeting of businessmen from the two countries. "If this trend continues, our trade deficit with Japan for the whole of 1992 will reach \$11 billion." The deficit was \$9.7 billion in 1991.

Investor's Asia

Table with columns for Exchange, Index, and % Change. Includes data for Hong Kong, Singapore, Tokyo, and various regional indices.

Source: Reuters, AFP

Very briefly:

- Nomura Securities Co., Daiwa Securities Co., Nikko Securities Co. and Yamachi Securities Co. plan to set up a brokerage in Singapore as early as July with their affiliated merchant banks there.
• State Bank of India Ltd. has agreed to set aside \$250 million to cover possible losses from a scandal involving illegal securities transactions.
• Asahi Glass Co. of Japan said it was considering exercising an option to acquire a controlling stake in AFG Industries, a U.S. plate-glass producer now owned 20 percent by Asahi.
• Micron Technology Inc., the U.S. semiconductor firm, plans to set up an office in Japan to promote chip sales, the Nihon Keizai newspaper said.
• Manila is urging South Korea to eliminate import barriers to Philippine-made floppy disk drives.
• South Korea plans to open a financial futures market in 1995, with details of the legislation to be made public Monday.
• Harbor Center Development Ltd. said its \$93.3 million Hong Kong dollar (\$76.7 million) rights issue of 105 million new shares, had been oversubscribed, with applications for 127.1 million shares.
• Chinese Petroleum Corp., the state-owned Taiwanese company, said talks were under way with Lukoil of Russia on investment by Taiwanese companies in the Russian oil and natural gas sector.
• BMW Japan Corp. has begun imports of a low-emission BMW motorcycle, the K1100L7/Catalyst, to be sold by BMW's 59 dealers in Japan.
• The Association of Natural Rubber Producing Countries seeking to lift natural rubber prices, will consider a Malaysian call for a single market in natural rubber in Singapore at a three-day meeting there on Monday.
Reuters, AFP, Bloomberg, UPI

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FIRST COLUMN Exotic? Yes, But Safety Is Optional

CRISIS of protest, some of them distinctly shrill, greeted last week's column. Readers with long memories may recall that it had the appalling temerity to question the copper-bottomed certainty of the world's markets in derivatives.

In German Stocks, View From Top Is Not as Rosy as From the Bottom

By William Ellington

THE fallout from the Danish rejection of the European Community's Maastricht treaty has affected a wide range of the individual investor's major plays: Bonds, currencies and stocks all felt the tremor to a greater or lesser degree.

often produce large positive cash flows which enable them to benefit from high interest rates," said Andrew Garthwaite, a Warburg equity analyst.

Earnings forecasts are usually based on the 'bottom-up' approach while economic projections are 'top-down.'

real interest rates does not bode well for the stock market," Goldman Sachs said in a recent report on the German economy.

aggregate them to get an estimate for broad share indices, such as Germany's DAX 30, France's CAC 40 or Britain's FT-SE 100.

In contrast, economists who use the top-down approach start out with broad views of income and expenditure in national statistics. Then they work out compatible estimates of the components.

Corporate Earnings Estimates

Table with columns for United States, Britain, and Germany, and rows for companies like BZW, CAPEL, GOLDMAN, UBS, and WARBURG for the years 1992 and 1993.

Table with columns for France and Japan, and rows for companies like BZW, CAPEL, GOLDMAN, UBS, and WARBURG for the years 1992 and 1993.

U.S. Rules on Foreign Investments: Baffling and Potentially Costly

By Robert C. Siner

NEW rules passed into U.S. tax law are telling an old story to both American and foreign investors residing in the United States: They are going to have to pay more — in some cases a lot more — in taxes and in tax preparation fees.

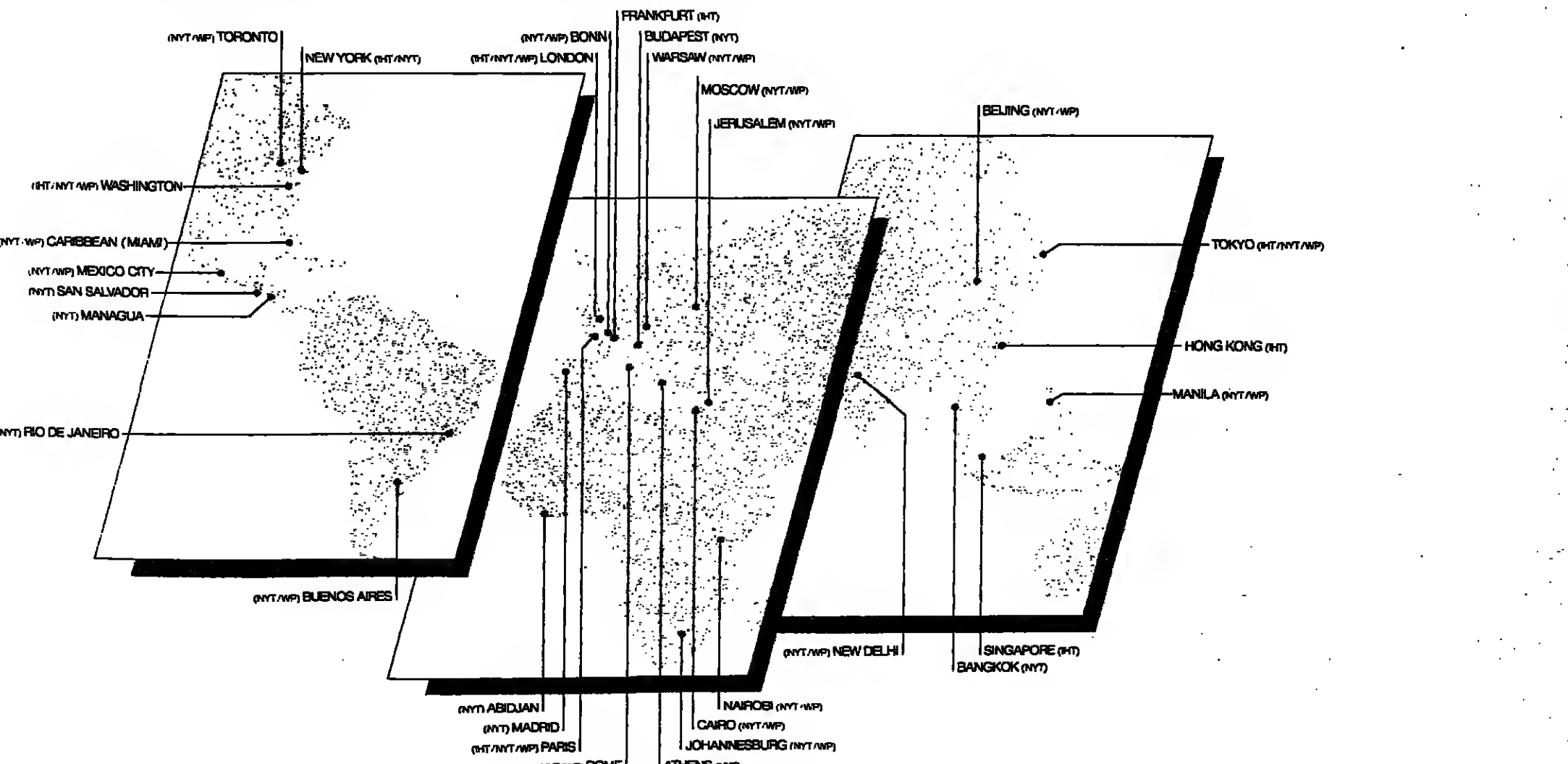
that either derives 75 percent of its gross annual income from passive sources or uses 50 percent of its assets for producing passive income. Types of passive income include dividend and interest income and rents.

Under the new rules, PFIC income is divided into excess and nonexcess distributions. Nonexcess distributions are like dividends from a U.S. mutual fund and are taxed, in the same way, as regular income.

ferred until the investment is sold or the gains from the PFIC are otherwise realized. At that time the taxpayer must pay the deferred taxes plus interest prorated over the holding period (the number of days after Jan. 1, 1987, that the taxpayer owned the PFIC investment).

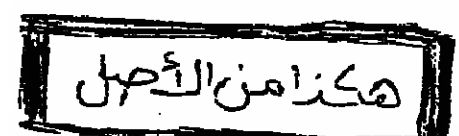
ified electing status for a small number of American shareholders. To have an investment treated as a qualified electing fund, the taxpayer must submit an annual information form detailing, among other things, the taxpayer's pro-rata share of earnings and capital gains.

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THE MONEY REPORT

U.S. Banks Court Expatriates But Are Services Worth Cost?

By Jacqueline Smith

WHEN John Black learned that his company was transferring him from Colorado to Rome, normally routine banking matters suddenly took on an onerous aspect.

For Mr. Black, a project leader with his company, the cost is relative. "Living abroad is chaotic any way and this service gives me peace of mind," he said.

president of Living Abroad Publishing Inc. in Princeton, New Jersey, which publishes an American Guide to Living Abroad. This is partly because they're not viewed as "money-making clients," she said.



Certain fears also block expatriates from fully participating in the banking system of the host country. How stable is the economy? Should life savings be tied up in a foreign bank? Plus there are concerns regarding unregulated and uninsured banks, Ms. Guido said.

The U.S. banks also are wooing foreign nationals with their services. "Our expertise has come from servicing the international and diplomatic community for years," said Mr. Schofield.

Foreigners need U.S. bank accounts for several reasons, Mr. Schofield contends. First, their own country might be experiencing a period of instability. Also, they may be paid partly in foreign currency, partly in U.S. dollars.

In addition to the banking services available to expatriates, Chemical offers investment products to the foreign community and arranges foreign investor mortgages for non-U.S. citizens who wish to purchase U.S. property.

To set up an account with Chemical's Worldwide Consumer Bank, a foreigner can do so by walking into a branch office, producing passport identification and a bank reference. A regular checking account requires no minimum balance. But to avoid monthly service charges and per-check or domestic cash-machine fees, a \$1,500 average monthly minimum balance must be maintained.

Best Performing Mutual Funds

These funds have performed well since their inception. Returns are annualized and include dividends reinvested, excluding charges.

Table with columns: Fund Name, Performance, and Date. Lists various mutual funds like Vanguard, Fidelity, and others.

Best Performing Mutual Funds (continued)

Table with columns: Fund Name, Performance, and Date. Lists more mutual funds like American Mutual, Sun Life, etc.

Best Performing Mutual Funds (continued)

Table with columns: Fund Name, Performance, and Date. Lists mutual funds like Sun Life, Sun Life, etc.

There were everyday obligations that I could not just step out of," Mr. Black said. Mortgage payments had to continue to be made, as did college tuition for his three children and financial support for his elderly parents.

Most expatriates retain financial obligations back home," said Robert De Rosa, vice president of Citibank, which runs such a program. "Many choose not to sell their home and continue paying cable, electric and phone bills."

There are a slew of other services to choose from. International transfer of funds, checking, savings, money market accounts and credit card services.

A similar program exists at Chemical Bank, whose customer base is split evenly between U.S. citizens and nonresident foreigners. Any foreign national can open an account with its Worldwide Consumer Bank Unit, which Chemical launched in 1989.

Seasoned expatriates may balk at the expense, though. Citibank charges its clients an annual fee of \$120, while Chemical charges \$25. International funds transfers cost a hefty \$25 at both banks, and a still sizable \$20 for domestic transfers.

"My little storefront bank, a branch of Banca Catalana in a small Spanish village, pays my gas bill, my telephone bill, my electric bill, at no cost," said an executive with an international communications company in New York. "How could the U.S. bank charges be justified, he asked."

money transfers a month he has to pay \$20 for each transfer.

"Our service cannot be replaced by automatic teller machines," said Peter Schofield, vice president at Chemical Bank Worldwide. Through a Chembank card enables consumers to access cash from anywhere in the world.

Similarly with MasterCard and Visa, "the minute you take a cash advance you start paying interest," Mr. Schofield said. "It's a fact of life for Americans overseas that they are not courted by local banks," said Louise Guido.

May Market Scoreboard

Table showing stock market performance for New York, Tokyo, London, Frankfurt, and Paris exchanges. Includes columns for Best Performers, Worst Performers, and specific stock prices.

BRIEFCASE

Higher Education Inflation Compounds College Costs

Shearson Lehman Brothers has this cheery message for brand-new parents: The cost of keeping your child from going through life ignorant may be more than \$200,000. Figuring that higher education in the United States costs \$15,000 a year and is rising 7 percent annually, Shearson estimates the price tag for the first year of college alone to be \$50,699 for children born this year.

Optimism Is So Positive, Why Has FT-SE 100 Fallen?

A survey of 2,000 British consumers reveals a leap in their expectations about the prospects for the London stock market. The Pearl Investor Confidence Index, a marker published by the British insurer and investment manager Pearl Assurance, recorded a handsome rise in May, up 10.9 percent on April's measure of investor confidence.

The \$200,000 Education?

Table showing the cost of education from birth to age 18, including tuition, books, and other expenses, totaling \$200,000.

Group Sees a New Shareholder Attitude

SHAREHOLDERS are starting to get tough with the management of the companies in which they invest, according to the Investor Responsibility Research Center, a body that advises shareholders on their rights and responsibilities. One of the center's central objectives is to educate the bigger institutional investors to exercise their proxy votes in an ethical manner.

Advertisement for Offshore Company Specialists, listing various services and contact information for different regions.

Advertisement for Dollar Investment Package, featuring a graphic of a classical building and text describing the investment opportunity.

Large advertisement for the International Herald Tribune, including a subscription offer with a 46% discount and a risk-free trial period.

Advertisement for MEO PATACCA, a company with multiple international branches.

Advertisement for JYSKE BANK, a private banking institution with international services.

Advertisement for the International Herald Tribune, including contact information and a return coupon for a subscription.

SPORTS BASEBALL

Pet Jocks as Objects Of Our Fantasies

By Robert Lipsyte
New York Times Service

NEW YORK — Think of Michael Jordan as a tall dog, a Weimaraner perhaps, smooth, clever and somewhat other-worldly in appearance. If you think of him this way, it doesn't really matter what happens this weekend between the Bulls and the Trail Blazers or whether Jordan retains his best-in-show title as American sports' premier salesman-role model. Jordan, after all, is just a pet jock.

Mark Messier is a pet jock, an all-white husky, and those big, amiable outfielders who jumped into our laps this year, Danny Tartabull and Bobby Bonilla, are Labrador retrievers.

Monica Seles is a pet jock, a standard poodle, smart, skittish, noisy, known for her hair as well as her tricks. Arnold Palmer is a friendly, handsome classic collie.

Like most pets, our jocks are overindulged, overpraised, overfed, overprotected, overlabeled with our fantasies so long as they are in our favor. And like most pets, our jocks are ultimately regarded as disposable, replaceable, a short-lived, lesser species subject to our whim.

Certain breeds of pets that make us nervous will be tolerated only so long as their entertainment value exceeds their discomfort factor. Think of those Rotweilers, Martina Navratilova, whose sexuality and honesty get under our skins, and Jose Canseco, whose undercurrent of violence is unsettling.

When a pet "turns bad," even if it is an extension of his training, we get rid of him. Mike Tyson, the pit bull, is in jail. Pete Rose, the game English bulldog, was in jail. Steve Howe, the beagle who just couldn't be housebroken, may soon be in jail. He's already been kicked out of the House That Ruth Built; you remember Babe Ruth, the Newfoundland who kept wetting the rug and knocking over the lamp. He was discarded, too.

This may all sit even worse with animal rights groups than with athletes' rights groups, and my canine consultant, the playwright Willy Holtzman, has been wanted to keep an eye on the dog and the budding soccer stars he lives with. But there is no doubt in our minds that while four-legged and two-legged pets are important to our mental health, we don't take them seriously.

Vantage Point

Like most pets, our jocks are overindulged, overpraised, overfed, overprotected.

Consider Joe DiMaggio, that dignified, elegant Irish setter, and Mickey Mantle, that grinning golden Lab, and Muhammad Ali, the Great Dane, regal even as he sneezes now by the fire. Do we ever ask them for advice? Do they have any to give?

Credit for the concept of the athlete as pet goes to Jim Bouton, who suggested years ago that it was the only rational way to regard the people who fetch our sticks and balls. As a Yankee pitcher, Bouton was known as "The Bulldog." Later, as a sports broadcaster, speaker and writer, most notably of the important "Ball Four," Bouton became one of our seething-eye dogs, a pet with the skills and temper to guide us.

Other pets who have become such helpers are Senator Bill Bradley, Arthur Ashe, Representative Jack Kemp, Willie Davis, Billie Jean King, Don Newcombe and Jim Brown, once a football Doberman, an early advocate for African-American economic independence, most recently an advocate for the inner-city disenfranchised.

Brown has been active and visible among Los Angeles gang members, preaching "responsibility" and "self-determination," and setting up self-help workshops. He has also been harsh in his criticism of Magic Johnson and Michael Jordan, among other black stars, whom he calls "imitation white men" who have done nothing for the black community.

There may be very little they can do. In a gloomy study for the Robert Wood Johnson Foundation of Princeton called "Reaching the Hip-Hop Generation," MEE Productions has concluded that African-American urban teen-agers are so alienated from mainstream society and from their own heritage, so self-destructive, that black stars, who are perceived as white-owned, will never reach them through glib public-service messages or staged public appearances.

Those teen-agers may be way ahead of mainstream fans in understanding that while Michael Jordan may currently have the run of the house, he romps at sufferance. It is not his house.

Jock pets have enough trouble keeping their own dishes filled. It is too much to expect them to go out into the neighborhood to feed strays.

That's the owners' job.

Meanwhile, we can play our games, enjoying that lovable old Saint Bernard, George Foreman; those noisy, scuffy terriers, John McEnroe and Jimmy Connors; the graceful, elegant borzoi, Wayne Gretzky, and Leony Dykstra, that frisky mutt.

Your turn now. What's a Willie Mays, Cal Ripken, Clyde Drexler, Chris Evert? And don't bother reminding me about sportswriters, those parasitic bugs who live on pets.



Jeff Kent, Toronto's second baseman, waiting to put the tag on Tom Brumansky of the Red Sox as he plunged headlong for the bag.

Bulls Hadn't Counted on Small Change

Angry Champs Fail to Finish Strong

By Clifton Brown
New York Times Service

PORTLAND, Oregon — The Chicago Bulls were angry Thursday. They felt they could have already won another National Basketball Association title. At the very least, the Bulls believed they should have led, 3-1, in the four-of-seven-game finals.

Instead, Chicago and the Portland Trail Blazers are tied, 2-2, because the Bulls failed to protect late-game leads in Game 2 and Game 4. So when it was suggested to its coach, Phil Jackson, that Chicago is no longer in control of the series, the frustration he felt within boiled to the surface.

"By all rights, this series should be over, except for the closing four minutes of a couple of games," Jackson said, as the Bulls prepared for Game 5 here Friday night. "It's very dangerous. I'm angry."

Now the raging Bulls are faced with the challenge of channeling their emotions into producing a solid effort in Game 5. But in the aftermath of Wednesday's come-from-behind 93-88 victory, the Trail Blazers had momentum and confidence, and they didn't care how the Bulls felt. Portland trailed for all but the final 3:35 of Game 4.

But when the pressure was at its greatest, Portland played with more poise than the defending NBA champions. The Trail Blazers did the same thing in Game 2, erasing a 10-point deficit with less than five minutes to play to win in overtime, 115-104.

"Each game, unless they've changed the rules, is 48 minutes," said Portland's coach, Rick Adelman.

"After 42 minutes, they led. But if you lose a game, you lose a game. The reality is it's 2-2."

The Bulls lost Wednesday because they didn't execute offensively in the closing minutes. Michael Jordan was held scoreless for the final 10:23. Scottie Pippen, who had 17 points, was in foul trouble throughout the game, and none of the other Bulls scored in double figures. Chicago was outscored, 19-8, in the final 7:30.

Are the Bulls on the brink of being dethroned, or will they find a way to overcome another determined opponent, as Chicago has done throughout the playoffs?

The Bulls' fate may depend on how well they handle the unique challenges that the Trail Blazers present. Clyde Drexler had a scintillating all-around performance in Game 4 — 21 points, 9 assists, 8 rebounds, 3 blocked shots, 2 steals — and his matchup with Jordan is pivotal to the series.

Because Drexler is so versatile and active, he is perhaps more successful than any other player in the league at making Jordan work defensively. And because Jordan has expended so much energy on defense, his offense has suffered.

"I got a little winded," Jordan said. "I had to play a lot of minutes when Scottie was in foul trouble. I really didn't have the legs to make the shots. They say when you're tired, your legs are the first to go."

Someone else must step up offensively for Chicago to win the series. Pippen, an all-star, is the player expected to lead the Bulls when Jordan can't, but Pippen has been inconsistent throughout the playoffs.

Cartwright, who had a mismatch with the 6-foot-10 Robinson in the decisive minutes Wednesday night, when the game was going to be won or lost, the Portland Trail Blazers were smaller and perhaps more vulnerable. But they were better, too.

Two of their wide-body players, Kevin Duckworth and Buck Williams, sat on the bench. Danny Ainge went in, and the Blazers' three-guard lineup — Ainge, Clyde Drexler and Terry Porter — turned what seemed like a certain loss into a Game 4 victory over the Chicago Bulls, 93-88, tying the National Basketball Association finals at two games apiece.

Using the smaller lineup was risky, but it worked. And the Portland coach, Rick Adelman, indicated that he wasn't finished with it. "We're going to keep looking at it," he said Thursday. "When Danny is on the floor with Terry and Clyde, it's our best shooting team and our best ball-handling team, as long as we don't get beat on the boards."

Ainge, Porter and Drexler energized the offense, and forwards Jerome Kersey and Cliff Robinson gave the Blazers enough support defensively to hold off the Bulls.

In the last 10 minutes 26 seconds of the game — when Adelman inserted his smaller lineup — Michael Jordan was held scoreless and Scottie Pippen, guarded by the smaller Ainge, had only one basket.

"As long as it works, we're going to use it," Adelman said. "It's their job to try and stop it."

The Bulls couldn't. They failed to push the ball inside to Pippen or to 7-foot-1 (2.15-meter) center Bill

Duel in the Dome: Morris's Shutout Outshines Clemens

The Associated Press

Back when Roger Clemens and Jack Morris were growing up, there were great pitching duels all the time. There was Koufax-Marichal and Gibson-Draystale, Seaver-Carlton and Palmer-Hunter, and it seemed like they happened three and four times each season.

There aren't many of those kinds of games anymore. Teams don't play each other as often as they used to, and pitchers don't pitch as frequently as they did.

Once in awhile, though, a nice matchup comes along. So it was Thursday night in Toronto's SkyDome when Clemens, baseball's best pitcher these days, faced Morris, baseball's reigning best big-game pitcher.

Morris beat Clemens this time, tossing a four-hitter that led Toronto

to past Boston, 4-0. The Blue Jays won their fourth in a row and the Red Sox have lost 9 of 13.

"I've faced Morris many times, and if you don't get to him early, like any top-notch starter he'll settle in and get his momentum going," Clemens said.

Clemens had been 9-0 in his previous 12 starts against the Blue Jays. But Joe Carter, Dave Winfield and Pat Borders homered off Clemens, and that was plenty for Morris.

"There's no denying he's one of the great pitchers in the game today — probably the best," Morris said. "But he's been beaten before and he'll be beaten again."

Clemens had won his last six starts overall and was leading the majors with a 1.56 earned run average. He was trying to become baseball's first 10-game winner.

Morris pitched his first shutout since Game 7 of the World Series in October. He walked three and struck out two in his fifth complete game of the season and his 27th regular-season shutout.

Clemens gave up seven hits and left after Winfield's solo home run in the eighth inning made it 4-0. He struck out seven and walked three.

Angeles 4, White Sox 0. In Chicago, Bert Blyleven got his 28th victory and stopped California's six-game losing streak.

Blyleven gave up four hits in six innings and struck out four. At 41, he has pitched well in his three starts since missing 1½ seasons because of two shoulder surgeries.

Orioles 7, Tigers 5. Joe Ornelak hit a three-run homer in the first inning and Baltimore went on to win in Detroit. The Orioles have won four of five and Detroit has dropped four of five.

There were no National League games Thursday.

Staubrenner Ruling Soon
Fay Vincent, the baseball commissioner, expects to announce on Monday whether he will allow George Steinbrenner to regain a decision-making role with the New York Yankees. The Associated Press reported.

Vincent called an announcement Monday "a realistic possibility."

Steinbrenner was informed of Vincent's decision more than a week ago.

"I've made my decision," Vincent said. "He knows what it is. It's not going to change between now and when I announce it."

Steinbrenner, who with his family controls 65 percent of the stock in the partnership that owns the team, has been barred from running the team's day-to-day operations since Aug. 20, 1990, under an agreement that followed an investigation of his dealings with the convicted gambler Howard Spira.

The ban resulted in three lawsuits that the commissioner said would have to be dropped before Steinbrenner could be considered for reinstatement. The lawsuits were dropped earlier this year.

GREEN BAY — Signed Don Matlock, quarterback, and Bernard Ford, wide receiver. Volved Ron Young, wide receiver.

KANSAS CITY — Signed Eric Anderson, linebacker. In his first contract.

PHILADELPHIA — Signed Roy Green, tight end, and Quentin Sander, wide receiver. Dale Jacobson, QB, traded to the Redskins. Ronnie Williams and Gregory Daniels, tight ends, and Harvey Wilson, free safety.

BOSTON — Named Mike O'Connell, coach of Providence team in American Hockey League. Montreal's nameless coach will relinquish job as coach and remain general manager. Named Gerry Sturges, coach.

CHICAGO — Signed Chris Gwyn, pitcher, to minor-league contract.

TORONTO — Re-signed Mike Timlin, pitcher, from rehabilitation assignment of Detroit.

MIAMI, OHIO — Named Aaron Kramer, left end, and Paul Norwood, wide receiver, coach.

SCOREBOARD

BASEBALL

Major League Standings

Team	W	L	Pct.	GB
Toronto	26	22	.545	—
Baltimore	26	22	.545	1
Milwaukee	25	27	.481	7
New York	25	29	.461	8 1/2
Boston	23	28	.451	9 1/2
Detroit	24	34	.412	12 1/2
Cleveland	24	35	.407	13 1/2

Japanese Baseball

Team	W	L	Pct.	GB
Yokohama	20	20	.500	—
Hiroshima	22	22	.500	1
Chunichi	24	20	.549	1
Tokyo	20	20	.500	3 1/2
Yomiuri	21	29	.420	7

AMERICAN LEAGUE

Team	W	L	Pct.	GB
Pittsburgh	22	29	.433	—
New York	22	30	.424	1
St. Louis	22	29	.433	1
Minnesota	22	30	.424	1
Philadelphia	22	30	.424	1
Chicago	22	30	.424	1

NATIONAL LEAGUE

Team	W	L	Pct.	GB
Cincinnati	22	24	.479	—
San Diego	22	24	.479	1 1/2
San Francisco	22	25	.468	1 1/2
Atlanta	22	29	.433	5 1/2
Los Angeles	22	29	.433	5 1/2
Houston	22	29	.433	5 1/2

Thursday's Line Scores

Team	Score
California	97-88-4-7-9
Chicago	88-88-4-7-9
Baltimore	88-88-4-7-9
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CYCLING

Giro d'Italia

Results in Friday's 20th stage, a 201-kilometer (124-mile) race from Sator Valsusa to Valsusa: 1. Franco Chioccioli, Italy, five hours, 22 minutes, 31 seconds; 2. Claudio Chioccioli, Italy, same time; 3. Massimo Lotti, Italy, 54.3; 4. Elio Garrone, U.S., 74.6; 5. Jerry Bruneau, Australia, 81.1; 6. Jerry Bruneau, Australia, 81.1; 7. Jerry Bruneau, Australia, 81.1; 8. Jerry Bruneau, Australia, 81.1; 9. Jerry Bruneau, Australia, 81.1; 10. Jerry Bruneau, Australia, 81.1.

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U.S.-Trained, Making a Splash in Spain

By Filip Bondy
New York Times Service

NEW YORK — When he finally arrives in Barcelona next month for the Summer Olympics, Martin Zubero will speak to no one unless the caller happens to be the king of Spain — an occasional dinner partner.

"Every day, it's always somebody," Zubero complained recently. "I won't talk to anyone when I get over there. The journalists don't have my phone number and the spectators are not allowed on the pool deck or in the village."

So that will be that. The 200-meter backstroke world record-holder, the star athlete who snubbed the U.S. Olympic team to swim for his familial homeland of Spain, will attempt to retreat on land in order to move forward in the water. This maneuver will not be so simple.

"It's a stressful situation," said Vince Santostefano, the former University of Florida assistant coach who helped Zubero out of Bolles High School in Jacksonville, Florida. "For a three- or four-week period, he's going to be under a security guard, with all movement restricted. You're talking about a national hero. Someone who has the potential to become Spain's all-time greatest athlete."

Zubero, 23, a junior at Florida, is that good. At the Alamo Challenge in Fort Lauderdale last month, which featured all the U.S. Olympians, Zubero won his specialty in the 200-meter individual medley.

"I'm way ahead of schedule," said Zubero, who begins each morning of intense workouts by rising at 5 for aerobic training. "I really didn't expect to be swimming this fast."

Zubero, with his spartan practice program and unwavering strength, has a way of demoralizing opponents. Swimmers approaching

"You're talking about a national hero. Someone who has the potential to become Spain's all-time greatest athlete."

Vince Santostefano, On Martin Zubero

the final turn know they must be far ahead of him, or face his relentless finishing kick over the closing 50 meters.

His impending success could prove a major embarrassment to the Americans, who have six swimmers trying to match Zubero in his three top events. They might lose all of them.

Zubero, who holds a dual citizenship, does not like to speak about his decision to swim for Spain, instead of for the United States. His brother and coach, David, won a bronze medal in the 100-meter butterfly at the 1980 Olympics in Moscow and became something of a Spanish legend.

While he might have been lost among the many American swimmers expected to win a medal at these Olympic Games, Martin Zubero will certainly stand out for Spain. Only Sergio Lopez, a 200-meter breaststroke specialist, has a shot at another swimming medal for the host country.

Zubero is treated, accordingly, as a major celebrity whenever he visits Spain. He recently spent a weekend at the villa of King Juan Carlos I, and the monarch gave him an engraved watch with inlaid jewels.

His athletic achievements reportedly have earned him a healthy six-figure income from the government, plus performance bonuses.

"I'm not swimming for the money," Zubero said. "There is money involved, but everybody's dream is swimming for the gold medal, especially in your home country."

Zubero has been a member of the Spanish national team since

